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UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

5. LEASE DESIGNATION AND SERIAL NO
UTU-73440

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a. TYPE OF WORK

DRILL ☒

DEEPEN ☐

PLUG BACK ☐

B. TYPE OF WELL

OIL WELL ☐

GAS WELL ☒

OTHER

SINGLE ZONE ☐

MULTIPLE ZONE ☐

2. NAME OF OPERATOR

The Houston Exploration Company

3. ADDRESS OF OPERATORS

1100 Louisiana Suite 2000 Houston, TX 77002

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface **1784' FSL & 865' FEL** 627737X 39.756858
4401625Y -109.508886

At proposed prod. Zone

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE

56.2 Miles South of Vernal, UT

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest driz. Unit line, if any)

885'

16. NO. OF ACRES IN LEASE

600

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION TO NEAREST WELL, DRILLING COMPLETED OR APPLIED FOR, ON THIS LEASE, FT

1,700'

19. PROPOSED DEPTH

7,700'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER OF, RT, GR, etc.)

6137.7' GR

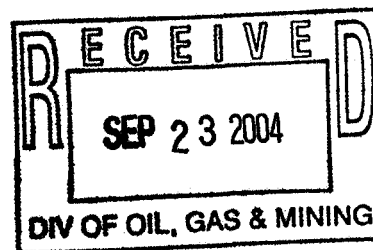
22. APPROX. DATE WORK WILL START

Sept. 30, 2004

PROPOSED CASING AND CEMENT PROGRAM

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	2000'	779 sks
7 7/8"	4 1/2"	11.6#	TD	600 sks

The operator proposes to drill the subject well. Please find the attached 10 Point plan and 13 Point plan and plat maps.



IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM. If proposed in to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

SIGNATURE

William A. Ryan

TITLE

Agent

DATE

Aug. 25, 2004

PERMIT NO.

43-047-35913

APPROVAL DATE

APPROVED BY
CONDITIONS OF APPROVAL, IF ANY:

[Signature]

TITLE

**BRADLEY G. HILL
ENVIRONMENTAL SCIENTIST III**

DATE

09-30-04

*See Instructions on Reverse Side

This 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

Federal Approval of this
Action Is Necessary

T12S, R21E, S.L.B.&M.

R
21
E

R
22
E

THE HOUSTON EXPLORATION COMPANY

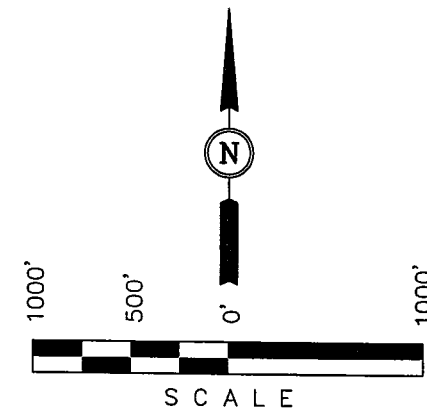
Well location, BUCK CANYON #9-24, located as shown in the NE 1/4 SE 1/4 of Section 24, T12S, R21E, S.L.B.&M. Uintah County, Utah.

BASIS OF ELEVATION

SPOT ELEVATION LOCATED AT THE SOUTHEAST CORNER OF SECTION 24, T12S, R21E, S.L.B.&M. TAKEN FROM THE BIG PACK MTN. SE, QUADRANGLE, UTAH, UTAH COUNTY, 7.5 MINUTE QUAD. (TOPOGRAPHIC MAP) PUBLISHED BY THE UNITED STATES DEPARTMENT OF THE INTERIOR, GEOLOGICAL SURVEY. SAID ELEVATION IS MARKED AS BEING 6271 FEET.

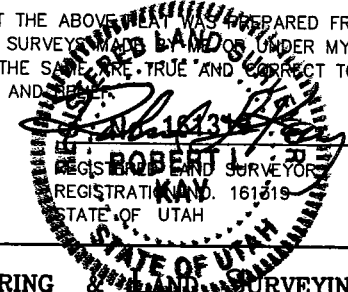
BASIS OF BEARINGS

BASIS OF BEARINGS IS A G.P.S. OBSERVATION.



CERTIFICATE

THIS IS TO CERTIFY THAT THE ABOVE MAP WAS PREPARED FROM FIELD NOTES OF ACTUAL SURVEYS MADE BY ME OR UNDER MY SUPERVISION AND THAT THE SAME ARE TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.



UINTAH ENGINEERING & SURVEYING
85 SOUTH 200 EAST - VERNAL, UTAH 84078
(435) 789-1017

SCALE 1" = 1000'	DATE SURVEYED: 06-23-04	DATE DRAWN: 06-24-04
PARTY K.K. B.W. D.COX	REFERENCES G.L.O. PLAT	
WEATHER WARM	FILE THE HOUSTON EXPLORATION COMPANY	

N00°01'W 5280.00' (G.L.O.)

S89°55'W 2643.30' (G.L.O.)

1923 Brass
Cap 0.3' High

S89°54'06"W - 2641.22' (Meas.)

1922 Brass
Cap 1.2' High

N00°08'33"W - 2636.75' (Meas.)

24

1923 Brass Cap 0.5'
Above 3.0' High Pile
of Stones

BUCK CANYON #9-24

Elev. Ungraded Ground = 6139'

855'

1784'

N00°07'01"E - 2640.33' (Meas.)

1922 Brass Cap
1.0' Above 1.0'
High Pile of Stones

S89°49'W 2638.02' (G.L.O.)

S89°51'45"W - 2636.90' (Meas.)

1923 Brass Cap 1.2'
Above 0.5' High Pile
of Stones

LEGEND:

└─┘ = 90° SYMBOL

● = PROPOSED WELL HEAD.

▲ = SECTION CORNERS LOCATED.

(AUTONOMOUS NAD 83)

LATITUDE = 39°45'24.68" (39.756856)

LONGITUDE = 109°30'34.41" (109.509558)

SELF-CERTIFICATION STATEMENT

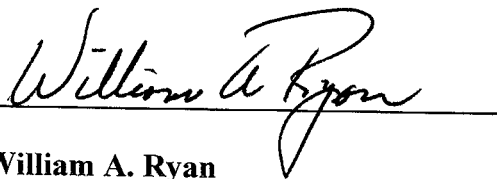
The following self-certification statement is provided per Federal requirements dated June 15, 1988.

Please be advised that The Houston Exploration Company are considered to be the operator of the following well.

Buck Canyon 9-24
NE 1/4, SE 1/4, Section 24, T.12S, R. 21 E.
Lease UTU-73440
Uintah County, Utah

The Houston Exploration Company is responsible under the terms and conditions of the lease for the operations conducted upon the lease lands.

Bond 104155044 provides state-wide bond coverage on all Federal lands.

A handwritten signature in cursive script, reading "William A. Ryan", is written over a horizontal line.

William A. Ryan
Agent
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078
435-789-0968 Office
435-828-0968 Cell
435-789-0970 Fax
rmcwar@hotmail.com

Ten Point Plan**The Houston Exploration Company****Buck Canyon 9-24**

Surface Location NE $\frac{1}{4}$ SE $\frac{1}{4}$, Section 24, T. 12S., R. 21 E.

1. Surface Formation

Green River

2. Estimated Formation Tops and Datum:

<u>Formation</u>	<u>Depth</u>	<u>Datum</u>
Green River	Surface	+6,138
Uteland Butte Limestone	3,946	+2,192'
Wasatch	4,080	+2,058'
Mesaverda	5,747	+391'
Buck Tounge	8,080	-1,942'
Castlegate	8,152	-2,014'
Mancos	8,447	-2,309'
TD	7,700'	-1,562'

A 12 $\frac{1}{4}$ hole will be drilled to 2,000' +/- . The hole depth will depend on the depth that the Birds Nest Zone is encountered. The hole will be drilled 400' beyond the top of the Birds Nest.

3. Producing Formation Depth:

Formation objective includes the Green River, Wasatch, Mesaverde and its sub-members.

Off Set Well information:

Off set well: Buck Canyon 1-24
Buck Canyon 7-24
Buck Canyon 15-24

4. Proposed Casing:

<u>Hole Size</u>	<u>Casing Size</u>	<u>Grade Weight/FT</u>	<u>Setting & Tread</u>	<u>Casing Depth</u>	<u>New/Used</u>
12 ¼	9 5/8	36#	J-55/STC	2000	NEW
7 7/8	4 ½	11.6#	M-55/LTC	T.D.	NEW

Cement Program:

The Surface Casing will be cemented to the Surface as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	9 5/8	Primium Lite II .05#/sk Static Free .25#/sk Cello Flake 5#/sk KOL Seal .002 gps FP-6L 10% Bentonite .5% Sodium Metasilicate 3% Potassium Chloride	250 sks. +/-	3.38ft³/sk	11.0 ppg
Tail:	9 5/8	Class "G" 2% Calcium Chloride .25#/sk Cello Flake	329 sks. +/-	1.2ft³/sk	15.6 ppg
Top Job:	9 5/8	4% Calcium Chloride .25#/sk Cello Flake	200 sks. +/-	1.10ft³/sk	15.6 ppg

Production casing will be cemented to 2,500' or higher as follows:

	<u>Casing Size</u>	<u>Cement Type</u>	<u>Cement Amounts</u>	<u>Cement Yield</u>	<u>Cement Weight</u>
Lead:	4 1/2	Primium Lite II .25#/sk Cello Flake .05#/sk Static Free 5#/sk Kol Seal 3% Potassium Chloride .055 gps FP-6L 10% Bentonite .5 Sodium Metasilicate	200 sks +/-	3.3ft ³ /sk	11.0 ppg
Tail:	4 1/2	Class "G" .05% Static Free 2 Sodium Chloride .1% R-3 2% Bentonite	400 sks +/-	1.56ft ³ /sk	14.3 ppg

5. BOP and Pressure Containment Data:

The anticipated bottom hole pressure will be less than 3000 psi.

A 3000-psi WP BOP system as described in the BOP and Pressure Containment Data (attached) will be installed and maintained from the 9 5/8" surface casing. The BOP system including the casing will be pressure tested to minimum standards set forth in "On Shore Order #2". The BOP will be mechanically checked daily during the drilling operation.

6. Mud Program:

<u>Interval</u>	<u>Mud weight lbs./gal.</u>	<u>Viscosity Sec./OT.</u>	<u>Fluid Loss Ml/30 Mins.</u>	<u>Mud Type</u>
0-2000	Air/Clear Water	-----	No Control	Water/Gel
2000-T.D.	8.4-12.0	30	8-10	Water/Gel

7. Auxiliary Equipment

Upper Kelly cock, full opening stabbing valve, 2 ½" choke manifold and pit level indicator.

8. Testing, Coring, Sampling and Logging:

- a) Test: None are anticipated.
- b) Coring: There is the possibility of sidewall coring.
- c) Sampling: Every 10' from 2000' to T.D.
- d) Logging:

Type	Interval
DLL/SFL W/GR and SP	T.D. to Surf. Csg
FDC/CNL W/GR and CAL	T.D. to Surf. Csg

9. Abnormalities (including sour gas):

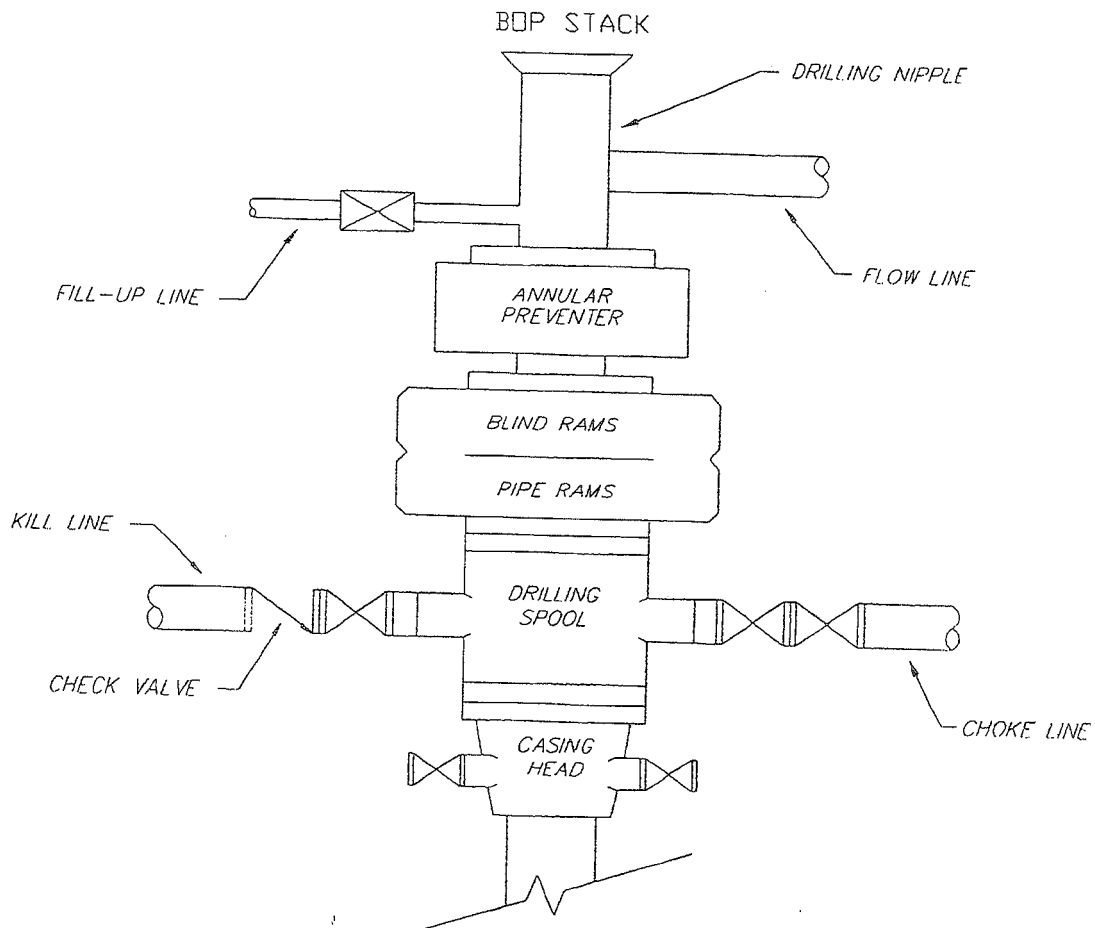
No abnormal pressures, temperatures or other hazards are anticipated. Oil and gas shows are anticipated in the Wasatch Formation. Other wells drilled in the area have not encountered over pressured zones or H₂S.

10. Drilling Schedule:

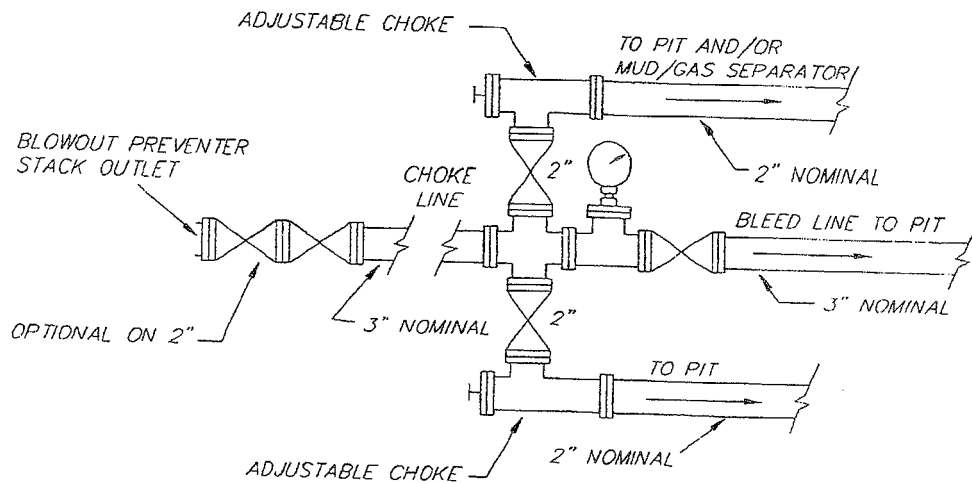
The anticipated starting date is September 30, 2004. Duration of operations is expected to be 30 days.

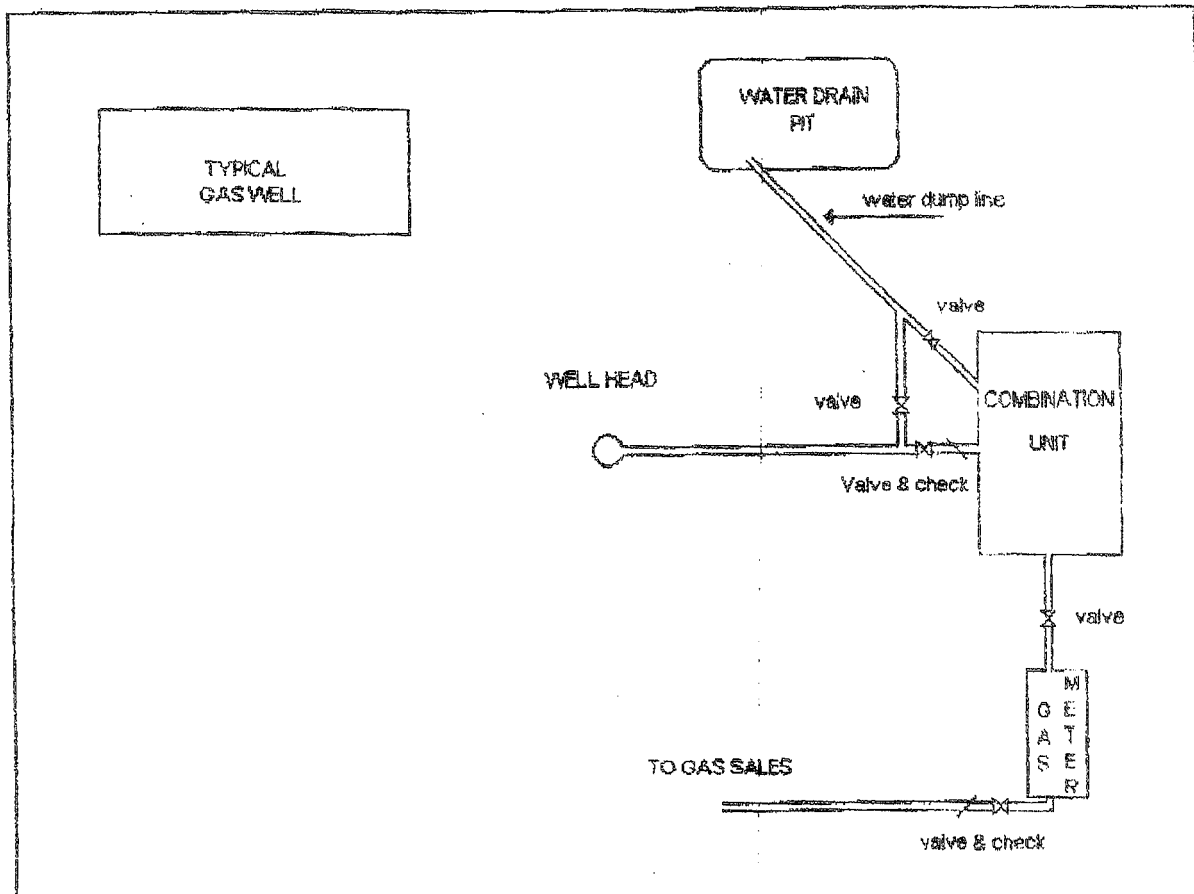
THE HOUSTON EXPLORATION COMPANY

TYPICAL 3,000 p.s.i. BLOWOUT PREVENTER SCHEMATIC



TYPICAL 3,000 p.s.i. CHOKE MANIFOLD SCHEMATIC





THE HOUSTON EXPLORATION COMPANY

13 POINT SURFACE USE PLAN

FOR WELL

Buck Canyon 9-24

LOCATED IN NE $\frac{1}{4}$ SE $\frac{1}{4}$

SECTION 24, T.12S, R21E, S.L.B.&M.

UINTAH COUNTY, UTAH

LEASE NUMBER: UTU-73440

SURFACE OWNERSHIP: FEDERAL

1. Existing Roads:

To reach The Houston Exploration Co well Buck Canyon #9-24 in Section 24, T12S, R 21 E, Starting in Vernal, Utah.

Proceed in a westerly direction from Vernal, UT along US highway 40 approximately 14.0 miles to the junction of State Highway 88; exit left and proceed in a southerly direction approximately 17.0 miles to Ouray, UT; proceed in a southerly, then southeasterly direction approximately 24.3 miles on the Seep Ridge road to the junction of this road and an existing road to the north; turn left and proceed in a northerly direction approximately 0.9 miles to the proposed location.

Total distance from Vernal, UT to the proposed well location is approximately 56.3 miles.

All existing roads to the proposed location are State of Utah, BLM maintained or County Class D roads. Please see the attached map for additional details.

2. Planned access road

The proposed access road will need approximately 0.4 miles of upgrade on lease and approximately 0.5 miles of upgrade off lease. The location is on the access road to Buck Canyon 7-24 and Buck Canyon 1-24. The road will be graded once per year minimum and maintained.

- A) Approximate length 4752 ft
- B) Right of Way width 30 Ft.
- C) Running surface 18 Ft.

- D) Surface material Native soil
- E) Maximum grade 5%
- F) Fence crossing None
- G) Culvert None
- H) Turnouts None
- I) Major cuts and fills None
- J) Road Flagged Yes
- K) Access road surface ownership **Federal**
- L) All new construction on lease Yes
- M) Pipe line crossing None

Please see the attached location plat for additional details.

A right of way will not be required. All surface disturbance for the road and location will be within the within the lease boundary.

3. Location of existing wells

The following wells are located within a one mile radius of the location site.

- A) Producing well None
- B) Water well None
- C) Abandoned well None
- D) Temp. abandoned well None
- E) Disposal well None
- F) Drilling /Permitted well
 - Buck Canyon 1-24
 - Buck Canyon 7-24
 - Buck Canyon 15-24
- G) Shut in wells None
- H) Injection well None
- I) Monitoring or observation well None

Please see the attached map for additional details.

4. Location of tank batteries, production facilities and production gathering service lines.

All production facilities are to be contained within the proposed location site. Please see the attached plat plan for a typical gas well separator installation and well site piping.

All permanent (on site for more than six months or longer) structures constructed or installed will be painted Flat Earth Tones. Facilities required to comply with O.S.H.A. (Occupational Safety and Health Act) will be excluded.

All tanks will be surrounded by a dike of sufficient capacity to contain the storage capacity of the largest tank in the battery. The integrity of the dike will be maintained.

The operator will adhere to all site security guidelines and regulation identified in 43 cfr 3126.7.

All off lease storage, off lease measurement, commingling on lease or off lease, of production, will have prior written approval from the authorized officer.

If the well is capable of economic production a surface gas line will be required.

Approximately 1,900' +/- of 3" gathering line would be constructed on Federal Lands. The line would tie into the proposed pipeline in Sec. 24, T12S, R21E. The line will be strung to the west side of the access road

and boomed to the west side of the access road.

Please see the attached location diagrams for pipe line location. There will be no additional surface disturbances required for the installation of a gathering line.

The gas meter run will be located within 500' of the well head. The gas line will be buried or anchored down from the well head to the meter. Meter runs will be housed and/or fenced.

The gas meter will be calibrated and the tank strapped in place prior to any deliveries. Tests for meter accuracy will be conducted monthly for the first three months on new meter installations and at least quarterly thereafter. The authorized officer will be provided with a date and time for the initial meter calibration and all future meter proving schedule. A copy of the meter calibration report will be submitted to the BLM's Vernal District office and State of Utah, Division of Oil, Gas, and Mining. All measurement facilities will conform to API (American Petroleum Institute) and AGA (American Gas Association) standards for gas and liquid hydrocarbon measurement.

5. Location and type of water supply

Water for drilling and cementing will come from Willow Creek. Permit # T75377.

6. Source of construction materials

All construction material for this location site and access road shall be borrow material accumulated during construction of the location site and access road. Additional road gravel or pit lining material will be obtained from private resources.

7. Methods for handling waste disposal

A) Pit construction and liners:

The reserve pit will be approximately 12 ft. deep and most of the depth shall be below the surface of the existing ground. Please see the attached plat for details.

The reserve pit will be lined.

The reserve pit will be used to store water for drilling. A semi-closed system will be used to drill the well. All fresh water for drilling will come from a frac tank placed on location and from the rig tank. The pit will be used to hold non-flammable materials such as cuttings, salt, drilling fluids, chemicals, produced fluids, etc.

B) Produced fluids:

Produced water will be confined to the reserve pit, or if deemed necessary, a storage tank for a period not to exceed 90 days after initial production. During the 90 day period an application for approval for permanent disposal method and location will

be submitted to the authorized officer.

C) Garbage:

A trash cage fabricated from expanded metal will be used to hold trash on location and will be removed to an authorized land fill location.

D) Sewage:

A portable chemical toilet will be supplied for human waste.

E) Site clean-up:

After the rig is moved off the location the well site area will be cleaned and all refuse removed.

8. Ancillary facilities

There are no ancillary facilities planned at this time and none are foreseen for the future.

9. Well-site layout

Location dimensions are as follows:

A) Pad length	330 ft.
B) Pad width	240 ft.
C) Pit depth	12 ft.
D) Pit length	147 ft.
E) Pit width	75 ft.
F) Max cut	17.9 ft.
G) Max fill	12.3 ft
H) Total cut yds.	11,100 cu yds
I) Pit location	east side
J) Top soil location	east end
K) Access road location	South end
L) Flare Pit	corner B

Please see the attached location diagram for additional details.

All pits will be fenced according to the following minimum standards:

- A) Thirty nine inch net wire shall be used with at least one strand of wire on top of the net wire. Barbed wire is not necessary if pipe or some type of reinforcement rod is attached to the top of the entire fence.
 - B) The net wire shall be no more than 2 inches above the ground. The barbed wire shall be 3 inches above the net wire. Total height of the fence shall be at least 42 inches.
 - C) Corner posts shall be cemented and/or braced in such a manner to keep the fence tight at all times.
 - D) Standard steel, wood or pipe posts shall be used between the corner braces. Maximum distance between any two posts shall be no greater than 16 ft.
 - E) All wire shall be stretched by using a stretching device before it is attached to the corner posts.
10. Plans for restoration of the surface

Prior to construction of the location, the top 6 inches of soil material will be stripped off the location and the pit area. The topsoil removed and piled will amount to approximately

1,730 cubic yards of material. Topsoil will be stockpiled in one distinct pile. Placement of the topsoil is noted on the attached location plat. The topsoil pile from the location will be seeded as soon as the soil is stock piled with the seed mix listed. When all drilling and completion activities have been completed and the pit back-filled the topsoil from the pit area will be spread on the pit area. The pit area will be seeded when the soil has been spread. The unused portion of the location (the area outside the dead men) will be re-contoured.

The dirt contractor will be provided with an approved copy of the surface use plan prior to construction activities.

Changes to the drainage during the construction activities shall be restored to its original line of flow or as near as possible when the pit is back-filled

All disturbed areas will be re-contoured to the approximate natural contours. Prior to back filling the pit the fences around the reserve pit will be removed.

The reserve pit will be reclaimed within 90 days of well completion. If the reserve pit has not dried sufficiently to allow back filling, an extension on the time requirement for back filling the pit will be requested. Once reclamation activities have begun, they shall be completed within 30 days.

After the reserve pit has been reclaimed, no depressions in the

soil covering the reserve pit will be allowed. The objective is to keep seasonal rain fall and run off from seeping into the soil used to cover the reserve pit. Diversion ditches and water bars will be used to divert the run off as needed.

When restoration activities have been completed, the location site and new access road cuts and shoulders shall be reseeded. Prior to reseeding, all disturbed areas will be scarified. And left with a rough surface.

A) Seeding dates:

Seed will be spread when top soil is stock piled and when reclamation work is performed.

The seed mix and quantity list will be used whether the seed is broadcast or drilled.

B) Seed Mix

4 Wing	3#/acre
WY Big Sage	1#/acre
Shad Scale	3#/acre
Galletta Grass	3#/acre

11. Surface ownership:

Access road	Federal
Location	Federal
Pipe line	Federal

12. Other information:

A) Vegetation

The vegetation coverage is Slight. The majority of the existing vegetation consists of sage brush. Rabbit brush, bitter brush, and Indian rice grass are also found on the location.

B) Dwellings:

There are no dwelling or other facilities within a one mile radius of the location.

C) Archeology:

The location has been surveyed. A copy of that survey will be forwarded to your office.

If, during operations, any archaeological or historical sites, or any objects of antiquity (subject to the antiquities act of June 8, 1906) are discovered, all operations which would effect such sites will be suspended and the discovery reported promptly to the surface management agency.

D) Water:

The nearest water is Willow Creek, 30 miles South of Vernal, UT.

E) Chemicals:

No pesticides, herbicides or other possible hazardous chemicals will be used without prior application.

F) Notification:

- a) Location Construction
At least forty eight (48) hours prior to construction of location and access roads.
- b) Location completion
Prior to moving on the drilling rig.
- c) Spud notice
At least twenty-four (24) hours prior to spudding the well.
- d) Casing string and cementing
At least twenty-four (24) hours prior to running casing and cementing all casing strings.
- e) BOP and related equipment tests
At least twenty-four (24) hours prior to initial pressure tests.
- f) First production notice
Within five (5) business days after the new well begins, or production resumes after well has been off production for more than 90 days.

G) Flare pit:

The flare pit will be located in corner B of the reserve pit outside the pit fences and 100 feet from the bore hole on the east side of the location. All fluids will be removed from the pit within 48 hours of occurrence.

13. Lessees or Operator's representative and certification

A) Representative

William A. Ryan
Rocky Mountain Consulting
Vernal, UT 84078

Office 435-789-0968
Fax 435-789-0970
Cellular 435-828-0968

All lease and/or unit operations will be conducted in such a manner that full compliance is made with all applicable laws, regulations, onshore oil and gas orders, and any applicable notices to lessees. The operator is fully responsible for the actions of his subcontractors. A copy of these conditions will be furnished to the field representative to ensure compliance.

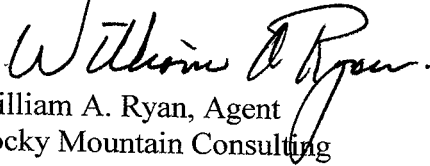
This drilling permit will be valid for a period of one year from the date of approval. After permit termination, a new application will be filed for approval for any future operations.

B) Certification:

I hereby certify that I, or persons under my direct supervision, have inspected the proposed drill-site and access route, that I am familiar with the conditions which presently exist, that the statements made in this plan are, to the best of my knowledge and belief, true and correct, and that the work associated with the operation proposed herein will be

performed by The Houston
Exploration Company and its
contractors and subcontractors
in conformity with this plan and
terms and conditions with this
plan and the terms and conditions
under which it is approved.

Date Aug 25, 2004


William A. Ryan, Agent
Rocky Mountain Consulting

Onsite Dates: 8/3/2004

Statement of use of Hazardous Materials

No chemical(s) from the EPA's consolidated list of Chemicals subject to Reporting under Title III of the Superfund Amendments and Reauthorization, Act (SARA) of 1986. Will be used, produced, transported, stored, disposed, or associated with the proposed action. No extremely hazardous substances, as defined in 40 cfr 355, will be used, produced, stored transported, disposed, or associated with the proposed action.

If you require additional information please contact.

William A Ryan
Agent for The Houston Exploration Company
Rocky Mountain Consulting
350 S. 800 E.
Vernal UT 84078

435-789-9068 Office
435-828-968 Cell
435-789-0970 Fax

THE HOUSTON EXPLORATION COMPANY

BUCK CANYON #9-24

LOCATED IN UINTAH COUNTY, UTAH
SECTION 24, T12S, R21E, S.L.B.&M.

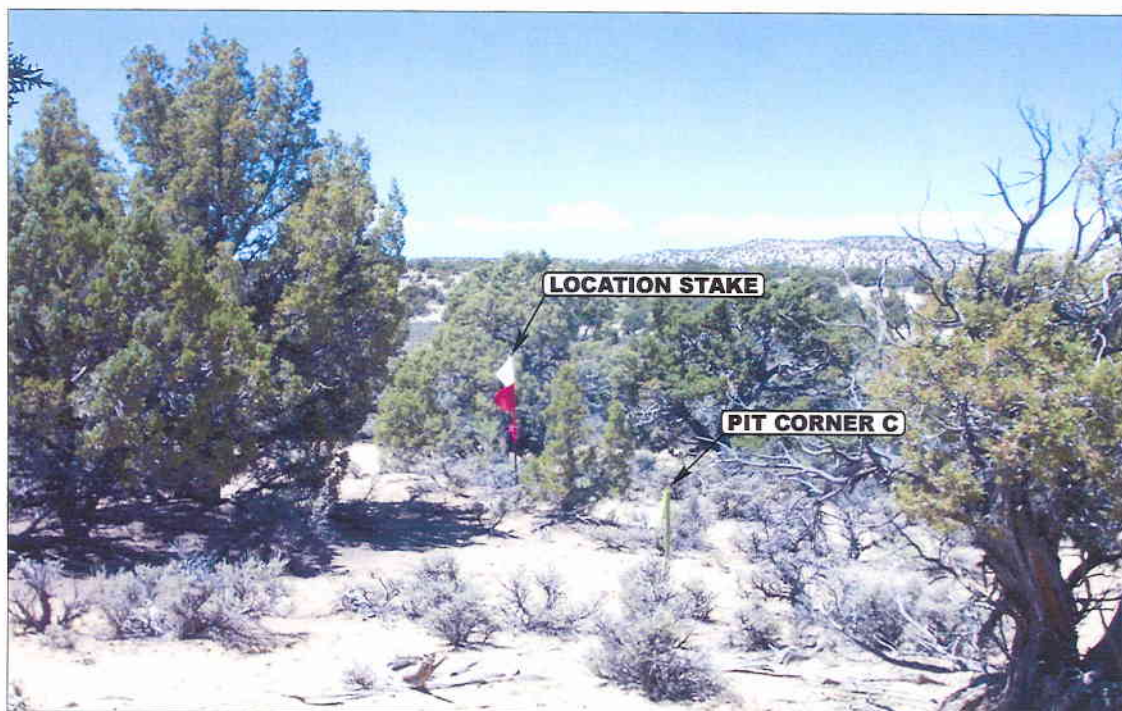


PHOTO: VIEW FROM PIT CORNER C TO LOCATION STAKE

CAMERA ANGLE: WESTERLY



PHOTO: VIEW OF EXISTING ACCESS

CAMERA ANGLE: NORTHERLY



UELS Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
435-789-1017 uels@uelsinc.com

LOCATION PHOTOS

06 **29** **04**
MONTH DAY YEAR

PHOTO

TAKEN BY: K.K.

DRAWN BY: P.M.

REVISED: 00-00-00

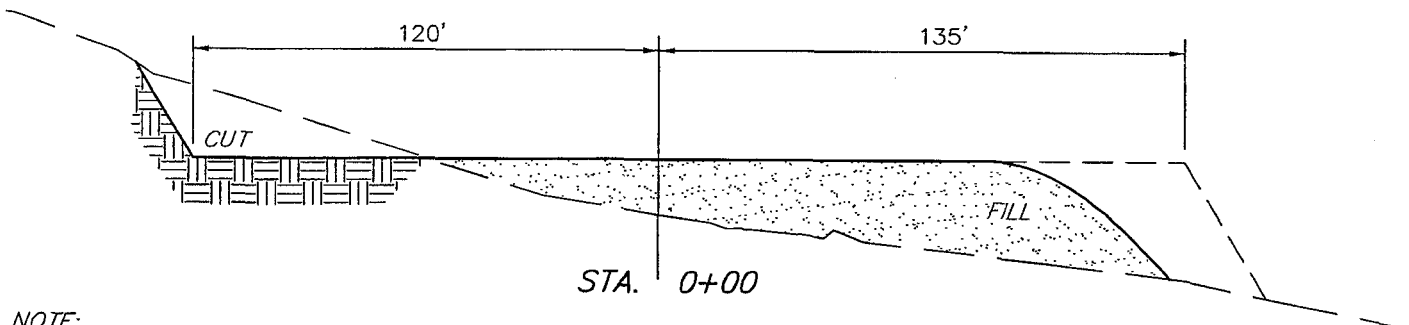
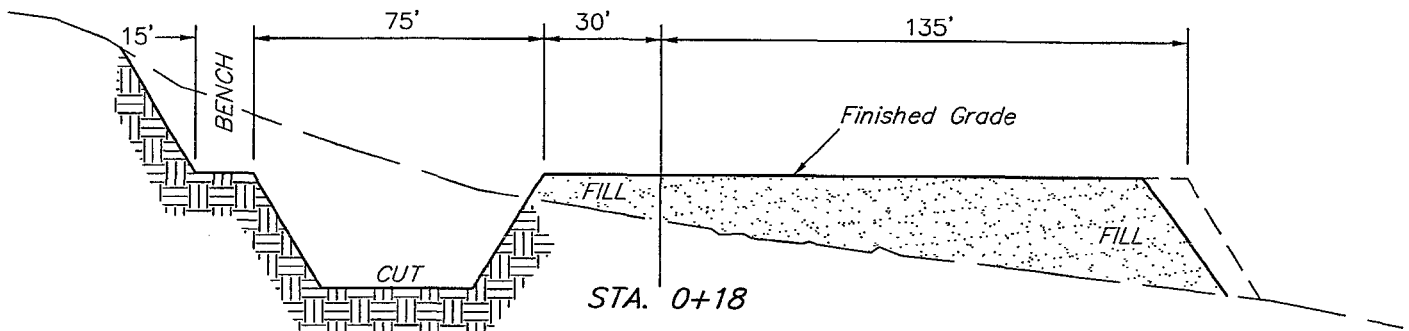
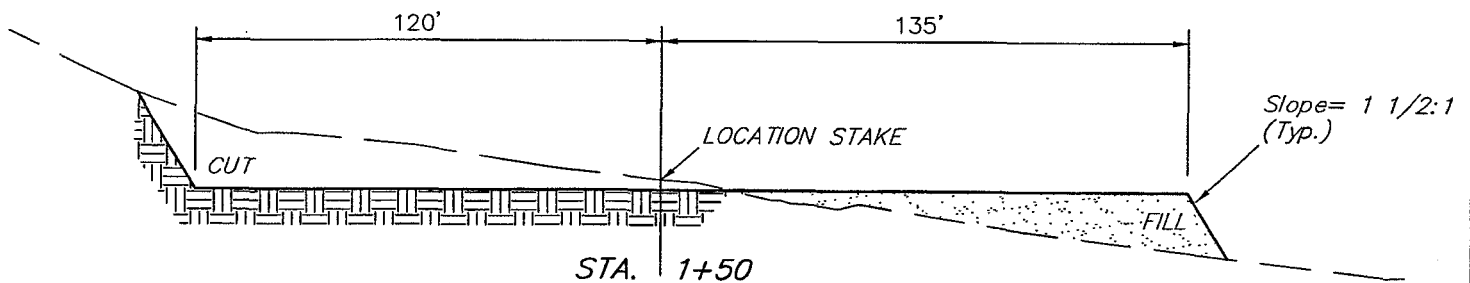
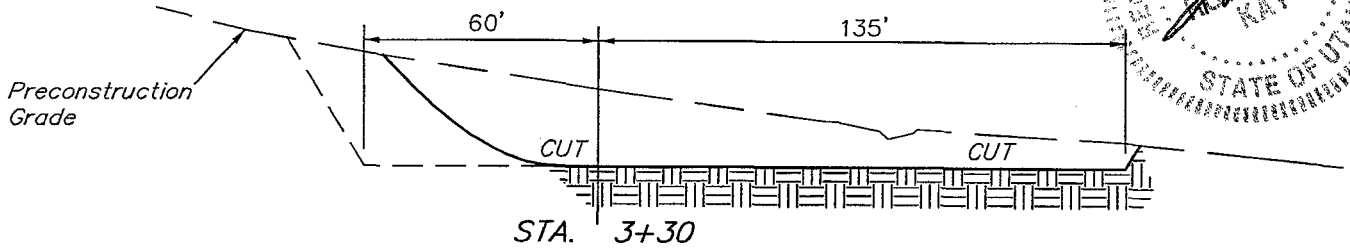
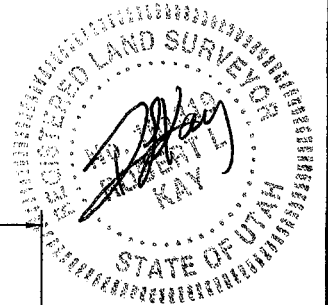
THE HOUSTON EXPLORATION COMPANY

TYPICAL CROSS SECTIONS FOR

BUCK CANYON #9-24
SECTION 24, T12S, R21E, S.L.B.&M.
1784' FSL 855' FEL

1" = 20'
X-Section
Scale
1" = 50'

DATE: 06-24-04
Drawn By: D.COX
Revised: 09-01-04



* NOTE:
FILL QUANTITY INCLUDES
5% FOR COMPACTION

APPROXIMATE YARDAGES

CUT

(6") Topsoil Stripping = 1,730 Cu. Yds.
Remaining Location = 9,370 Cu. Yds.
TOTAL CUT = 11,100 CU.YDS.

FILL = 7,310 CU.YDS.

EXCESS MATERIAL = 3,790 Cu. Yds.

Topsoil & Pit Backfill (1/2 Pit Vol.) = 3,390 Cu. Yds.

EXCESS UNBALANCE (After Rehabilitation) = 400 Cu. Yds.

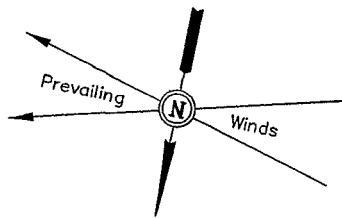
UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017

THE HOUSTON EXPLORATION COMPANY

LOCATION LAYOUT FOR

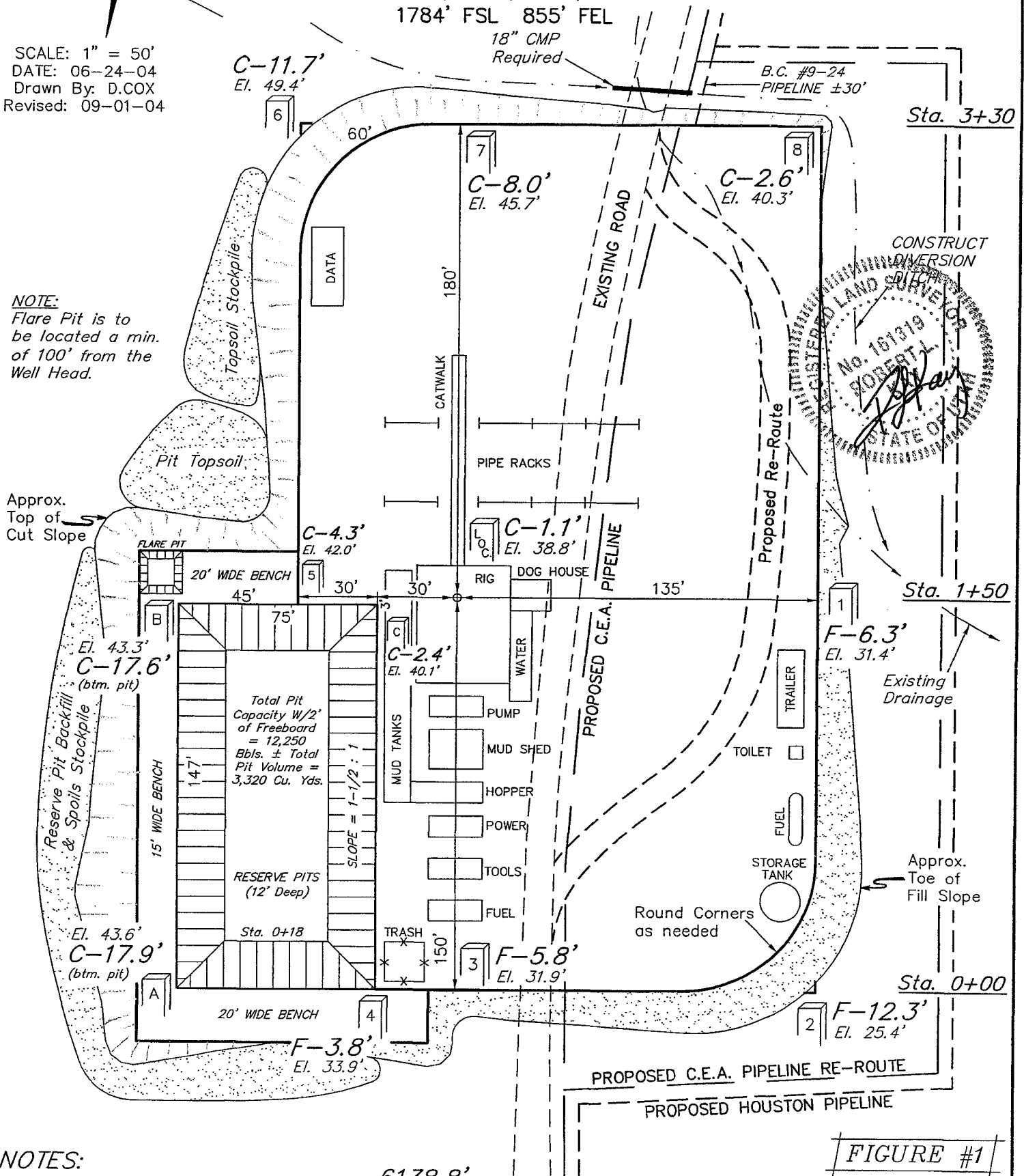
BUCK CANYON #9-24
SECTION 24, T12S, R21E, S.L.B.&M.
1784' FSL 855' FEL

18" CMP
Required



SCALE: 1" = 50'
DATE: 06-24-04
Drawn By: D.COX
Revised: 09-01-04

NOTE:
Flare Pit is to
be located a min.
of 100' from the
Well Head.

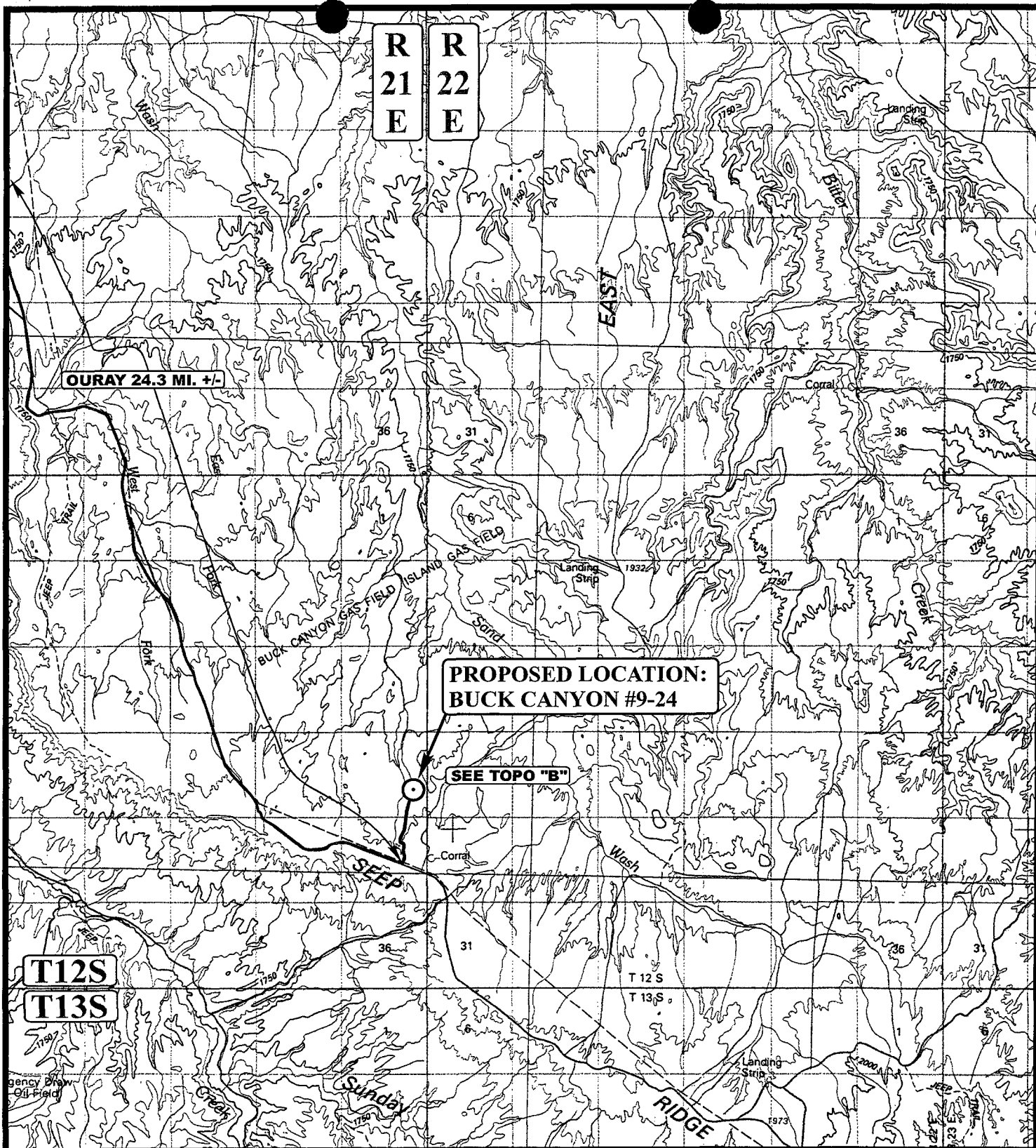


NOTES:

Elev. Ungraded Ground at Location Stake = 6138.8'
Elev. Graded Ground at Location Stake = 6137.7'

FIGURE #1

UINTAH ENGINEERING & LAND SURVEYING
85 So. 200 East * Vernal, Utah 84078 * (435) 789-1017



LEGEND:

○ PROPOSED LOCATION

THE HOUSTON EXPLORATION COMPANY

BUCK CANYON #9-24
SECTION 24, T12S, R21E, S.L.B.&M.
1784' FSL 855' FEL

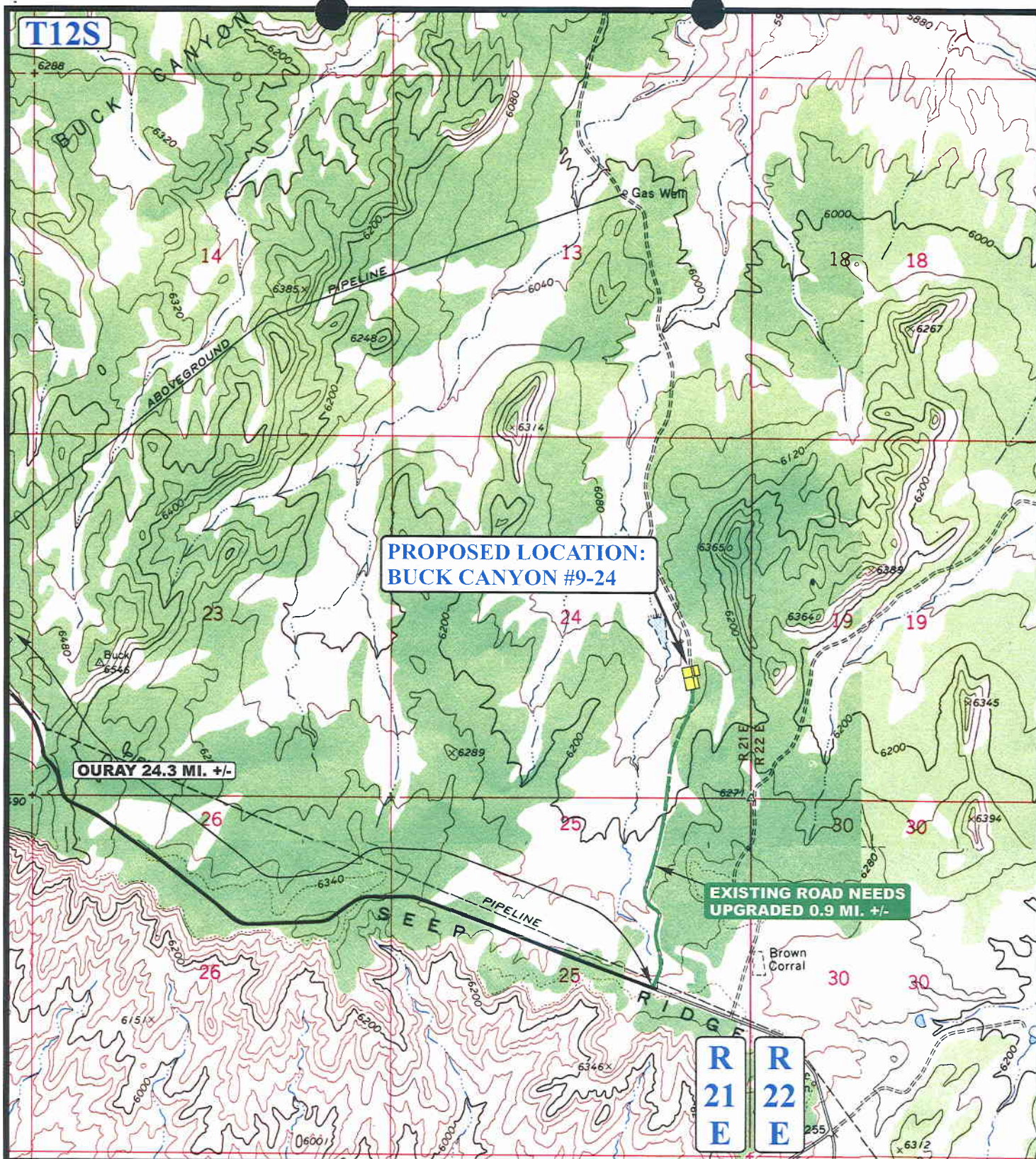


Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813



TOPOGRAPHIC 06 29 04
MAP MONTH DAY YEAR
 SCALE: 1:100,000 DRAWN BY: P.M. REVISED: 00-00-00





LEGEND:

- EXISTING ROAD
- - - EXISTING ROAD NEEDS UPGRADED

THE HOUSTON EXPLORATION COMPANY

BUCK CANYON #9-24
SECTION 24, T12S, R21E, S.L.B.&M.
1784' FSL 855' FEL



Uintah Engineering & Land Surveying
 85 South 200 East Vernal, Utah 84078
 (435) 789-1017 * FAX (435) 789-1813

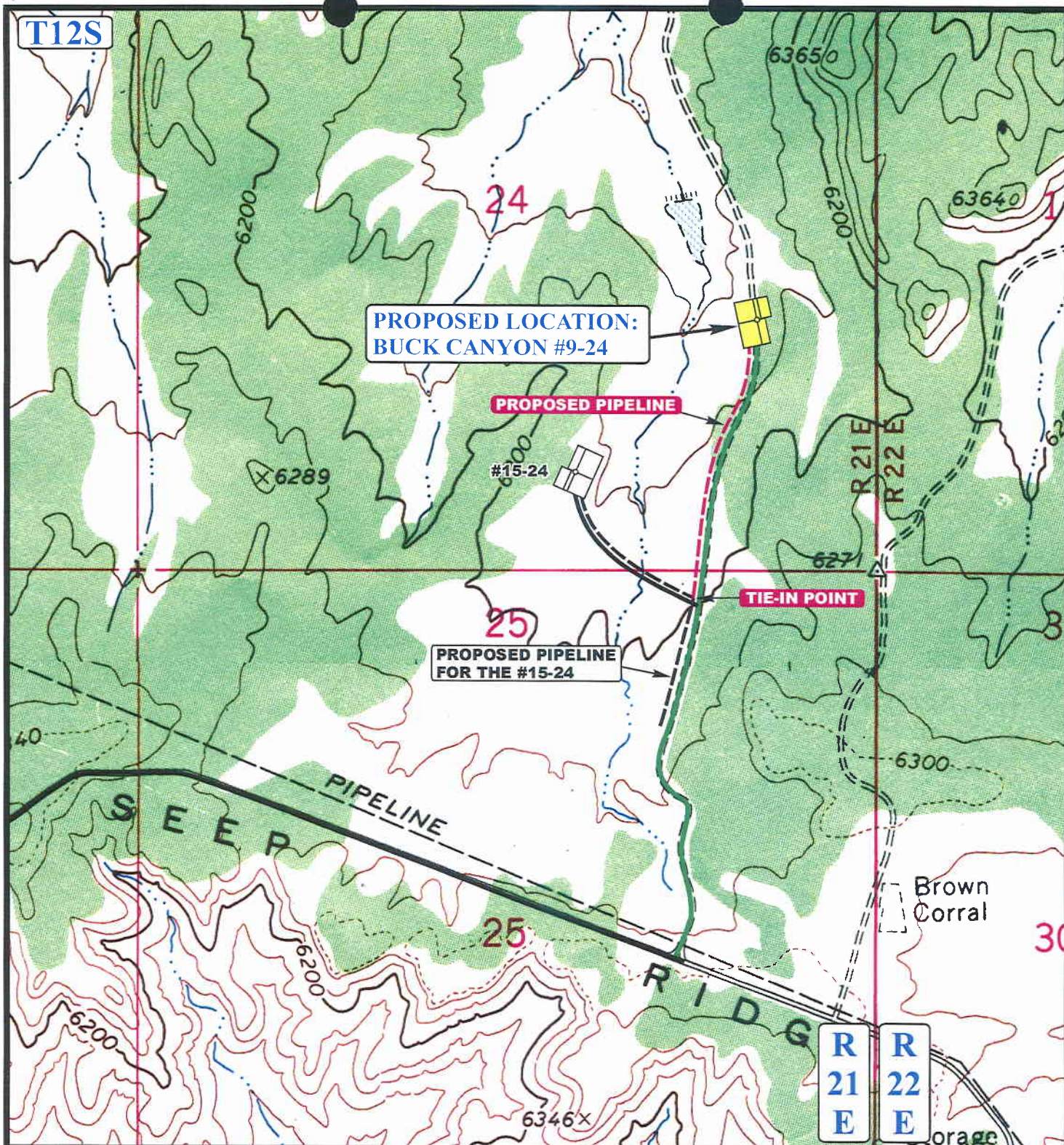


TOPOGRAPHIC
MAP

06 29 04
 MONTH DAY YEAR

SCALE: 1" = 2000' DRAWN BY: P.M. REVISED: 00-00-00

B
TOPO



APPROXIMATE TOTAL PIPELINE DISTANCE = 1,900' +/-

LEGEND:

— EXISTING PIPELINE
- - - PROPOSED PIPELINE



THE HOUSTON EXPLORATION COMPANY

BUCK CANYON #9-24
SECTION 24, T12S, R21E, S.L.B.&M.
1784' FSL 855' FEL



Uintah Engineering & Land Surveying
85 South 200 East Vernal, Utah 84078
(435) 789-1017 * FAX (435) 789-1813

TOPOGRAPHIC **06** **29** **04**
MAP MONTH DAY YEAR

SCALE: 1" = 1000' DRAWN BY: P.M. REVISED: 00-00-00



WORKSHEET
APPLICATION FOR PERMIT TO DRILL

004

APD RECEIVED: 09/23/2004

API NO. ASSIGNED: 43-047-35903

WELL NAME: BUCK CYN 9-24

OPERATOR: HOUSTON EXPLORATION CO, (N2525)

CONTACT: BILL RYAN

PHONE NUMBER: 435-789-0968

PROPOSED LOCATION:

NESE 24 120S 210E

SURFACE: 1784 FSL 0855 FEL

BOTTOM: 1784 FSL 0855 FEL

UINTAH

UNDESIGNATED (2)

LEASE TYPE: 1 - Federal

LEASE NUMBER: UTU-73440

SURFACE OWNER: 1 - Federal

PROPOSED FORMATION: MNCS

COALBED METHANE WELL? NO

INSPECT LOCATN BY: / /

Tech Review	Initials	Date
Engineering		
Geology		
Surface		

LATITUDE: 39.75686

LONGITUDE: -109.5089

RECEIVED AND/OR REVIEWED:

☒ Plat
☒ Bond: Fed[1] Ind[] Sta[] Fee[]
(No. 104155044)
☒ Potash (Y/N)
☒ Oil Shale 190-5 (B) or 190-3 or 190-13
☒ Water Permit
(No. T75377)
☒ RDCC Review (Y/N)
(Date: _____)
☒ Fee Surf Agreement (Y/N)

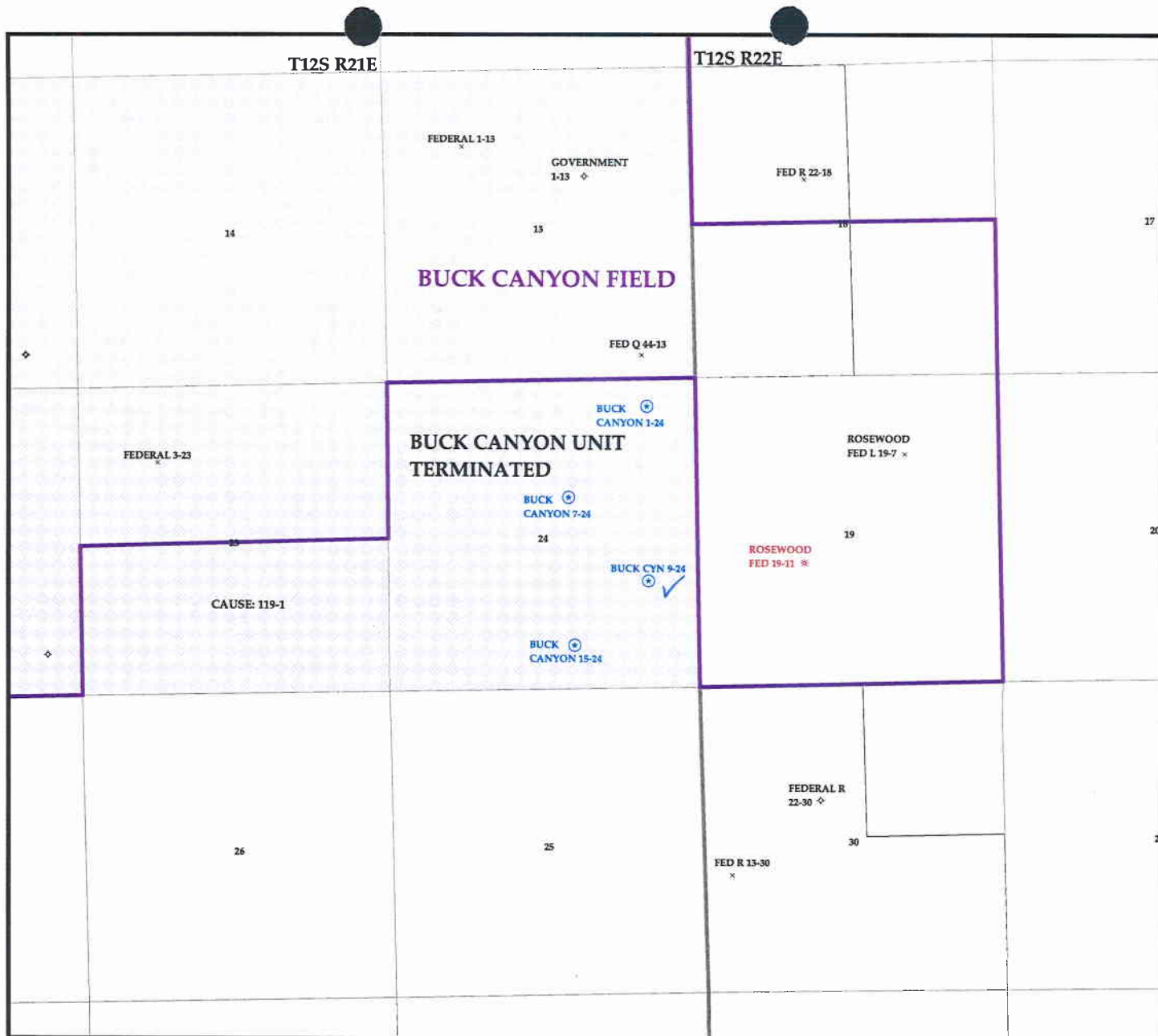
LOCATION AND SITING:

____ R649-2-3.
Unit _____
☒ R649-3-2. General
Siting: 460 From Qtr/Qtr & 920' Between Wells
____ R649-3-3. Exception
____ Drilling Unit
Board Cause No: _____
Eff Date: _____
Siting: _____
____ R649-3-11. Directional Drill

COMMENTS: _____

STIPULATIONS: _____

1- Federal Approval
2- Spacing WAP



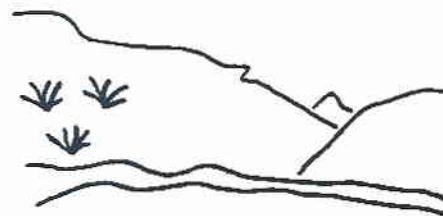
OPERATOR: THE HOUSTON EXPL CO (N2525)

SEC. 24 T.12S R.21E

FIELD: UNDESIGNATED (002)

COUNTY: UTAH

SPACING: R649-3-2 / GENERAL SITING



Utah Oil Gas and Mining

Wells

- ✱ GAS INJECTION
- ✱ GAS STORAGE
- ✕ LOCATION ABANDONED
- ⊙ NEW LOCATION
- ⊕ PLUGGED & ABANDONED
- ✱ PRODUCING GAS
- PRODUCING OIL
- ✱ SHUT-IN GAS
- ✱ SHUT-IN OIL
- ✕ TEMP. ABANDONED
- TEST WELL
- △ WATER INJECTION
- ◆ WATER SUPPLY
- ⬮ WATER DISPOSAL

Units.shp

- EXPLORATORY
- GAS STORAGE
- NF PP OIL
- NF SECONDARY
- PENDING
- PI OIL
- PP GAS
- PP GEOTHERML
- PP OIL
- SECONDARY
- TERMINATED

Fields.shp

- ABANDONED
- ACTIVE
- COMBINED
- INACTIVE
- PROPOSED
- STORAGE
- TERMINATED



PREPARED BY: DIANA WHITNEY
DATE: 30-SEPTEMBER-2004



State of Utah

Department of
Natural Resources

ROBERT L. MORGAN
Executive Director

Division of
Oil, Gas & Mining

LOWELL P. BRAXTON
Division Director

OLENE S. WALKER
Governor

GAYLE F. McKEACHNIE
Lieutenant Governor

September 30, 2004

Houston Exploration Company
1100 Louisiana, Suite 2000
Houston, TX 77002

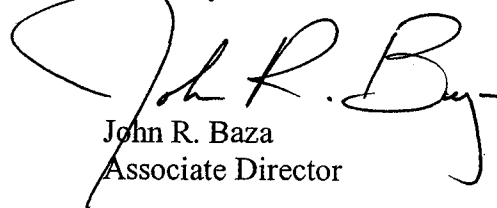
Re: Buck Canyon 9-24 Well, 1784' FSL, 855' FEL, NE SE, Sec. 24, T. 12 South,
R. 21 East, Uintah County, Utah

Gentlemen:

Pursuant to the provisions and requirements of Utah Code Ann. § 40-6-1 *et seq.*, Utah Administrative Code R649-3-1 *et seq.*, and the attached Conditions of Approval, approval to drill the referenced well is granted.

This approval shall expire one year from the above date unless substantial and continuous operation is underway, or a request for extension is made prior to the expiration date. The API identification number assigned to this well is 43-047-35903.

Sincerely,



John R. Baza
Associate Director

pab
Enclosures

cc: Uintah County Assessor
Bureau of Land Management, Vernal District Office

Operator: Houston Exploration Company
Well Name & Number Buck Canyon 9-24
API Number: 43-047-35903
Lease: UTU-73440

Location: NE SE **Sec.** 24 **T.** 12 South **R.** 21 East

Conditions of Approval

1. General

Compliance with the requirements of Utah Admin. R. 649-1 *et seq.*, the Oil and Gas Conservation General Rules, and the applicable terms and provisions of the approved Application for permit to drill.

2. Notification Requirements

Notify the Division within 24 hours of spudding the well.

- Contact Carol Daniels at (801) 538-5284.

Notify the Division prior to commencing operations to plug and abandon the well.

- Contact Dan Jarvis at (801) 538-5338

3. Reporting Requirements

All required reports, forms and submittals will be promptly filed with the Division, including but not limited to the Entity Action Form (Form 6), Report of Water Encountered During Drilling (Form 7), Weekly Progress Reports for drilling and completion operations, and Sundry Notices and Reports on Wells requesting approval of change of plans or other operational actions.

4. State approval of this well does not supersede the required federal approval, which must be obtained prior to drilling.

5. This proposed well is located in an area for which drilling units (well spacing patterns) have not been established through an order of the Board of Oil, Gas and Mining (the "Board"). In order to avoid the possibility of waste or injury to correlative rights, the operator is requested, once the well has been drilled, completed, and has produced, to analyze geological and engineering data generated therefrom, as well as any similar data from surrounding areas if available. As soon as is practicable after completion of its analysis, and if the analysis suggests an area larger than the quarter-quarter section upon which the well is located is being drained, the operator is requested to seek an appropriate order from the Board establishing drilling and spacing units in conformance with such analysis by filing a Request for Agency Action with the Board.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

006

APPLICATION FOR PERMIT TO DRILL, DEEPEN, OR PLUG BACK

1a TYPE OF WORK

DRILL**DEEPEN****PLUG BACK**

B TYPE OF WELL

OIL



GAS



SINGLE



ZONE

MULTIPLE ZONE



5. LEASE DESIGNATION AND SERIAL NO.

UTU-73440

6. IF INDIAN, ALLOTTEE OR TRIBE NAME

na

7. UNIT AGREEMENT NAME

na

8. FARM OR LEASE NAME

na

2. NAME OF OPERATOR

The Houston Exploration Company**43, DAT, 35903**

9. WELL NO.

Buck Canyon 9-24

3. ADDRESS OF OPERATORS

1100 Louisiana Suite 2000 Houston, TX 77002

10. FIELD OR LEASE NAME

Buck Canyon

4. LOCATION OF WELL (Report location clearly and in accordance with any State requirement)

at surface **1724' FSL & 855' FEL**

At proposed prod. Zone

11. Sec., T., R., M., OR BLK

AND SURVEY OR AREA

Section 24, T12S, R21E

14. DISTANCE IN MILES AND DIRECTION FROM NEAREST TOWN OR POST OFFICE*

56.2 Miles South of Vernal, UT

12. COUNTY OR PARISH

Uintah

13. STATE

Utah

15. DISTANCE FROM PROPOSED LOC. TO NEAREST PROP. OR LEASE LINE, FT. (Also to nearest drlg. Unit line, if any)

855'

16. NO. OF ACRES IN LEASE

600

17. NO. OF ACRES ASSIGNED TO THIS WELL

40

18. DISTANCE FROM PROPOSED LOCATION* TO NEAREST WELL, DRILLING COMPLETED. OR APPLIED FOR, ON THIS LEASE, FT.

1,700'

19. PROPOSED DEPTH

7,100'

20. ROTARY OR CABLE TOOLS

Rotary

21. ELEVATION (SHOW WHETHER DF, RT, GR, etc.)

6137.7' GR

22. APPROX. DATE WORK WILL START

Sept. 30, 2004**PROPOSED CASING AND CEMENT PROGRAM**

SIZE OF HOLE	SIZE OF CASING	WEIGHT PER FOOT	SETTING DEPTH	QUANTITY OF CEMENT
12 1/4"	9 5/8"	36#	2000'	779 sks
7 7/8"	4 1/2"	11.6#	TD	600 sks

The operator proposes to drill the subject well. Please find the attached 10 Point plan and 13 Point plan and plat maps.

RECEIVED**NOV 24 2004****DIV. OF OIL, GAS & MINING**

IN ABOVE SPACE DESCRIBE PROPOSED PROGRAM: If proposed to deepen or plug back, give data on proposed productive zone and proposed new productive zone. If proposal is to drill or deepen directional, give pertinent data on subsurface location and measure and true vertical depths. Give blowout preventer program, if any.

24

William A. Ryan**Agent****Aug. 25, 2004**

SIGNATURE

TITLE

DATE

(This space for Federal or State Office use)

PERMIT NO.

APPROVAL DATE

NOTICE OF APPROVAL**Assistant Field Manager****Mineral Resources**

DATE

11/16/2004

APPROVED BY

CONDITIONS OF APPROVAL, IF ANY:

TITLE

***See Instructions on Reverse Side**

Title 18 U. S. C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

CONDITIONS OF APPROVAL ATTACHED

04 P.517414

CONDITIONS OF APPROVAL
APPLICATION FOR PERMIT TO DRILL

Company/Operator: The Houston Exploration Company

Well Name & Number: Buck Canyon 9-24

API Number: 43-047-35903

Lease Number: UTU – 73440

Location: NESE Sec. 24 TWN: 12S RNG: 21E

Agreement: N/A

For more specific details on notification requirements, please check the Conditions of Approval for Notice to Drill and Surface Use Program.

CONDITIONS OF APPROVAL FOR NOTICE TO DRILL

Approval of this application does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Submit an electronic copy of all logs run on this well in LAS format. This submission will replace the requirement for submittal of paper logs to the BLM.

Be aware fire restrictions may be in effect when location is being constructed and/or when well is being drilled. Contact the appropriate Surface Management Agency for information.

A. DRILLING PROGRAM

1. Estimated Depth at Which Oil, Gas, Water, or Other Mineral Bearing Zones are Expected to be Encountered

Report ALL water shows and water-bearing sands encountered to John Mayers of this office prior to setting the next casing string or requesting plugging orders. Faxed copies of State of Utah form OGC-8-X are acceptable. If noticeable water flows are detected, submit samples to this office along with any water analyses conducted.

All usable water and prospectively valuable minerals (as described by BLM at onsite) encountered during drilling will be recorded by depth and adequately protected. All oil and gas shows will be tested to determine commercial potential.

2. Pressure Control Equipment

The BOP and related equipment shall meet the minimum requirements of Onshore Oil and Gas Order No. 2 for equipment and testing requirements, procedures, etc., for a **3M** system and individual components shall be operable as designed. Chart recorders shall be used for all pressure tests.

Test charts, with individual test results identified, shall be maintained on location while drilling and shall be made available to a BLM representative upon request.

If an air compressor is on location and is being utilized to provide air for the drilling medium while drilling, the special drilling requirements in Onshore Oil and Gas Order No. 2, regarding air or gas drilling shall be adhered to. If a mist system is being utilized then the requirement for a deduster shall be waived.

3. Casing Program and Auxiliary Equipment

Surface casing shall have centralizers on the bottom three joints, with a minimum of one centralizer per joint. Surface casing setting depths are based on ground level elevations only.

As a minimum, the usable water and other valuable resources shall be isolated and/or protected by having a cement top for the production casing at least 200 ft. above the base of the usable water zone, identified at 3,075 ft. If gilsonite is encountered while drilling, it shall be isolated and/or protected via the cementing program.

4. Mud Program and Circulating Medium

Hazardous substances specifically listed by the EPA as a hazardous waste or demonstrating a characteristic of a hazardous waste will not be used in drilling, testing, or completion operations.

No chromate additives will be used in the mud system on Federal and Indian lands without prior BLM approval to ensure adequate protection of fresh water aquifers.

5. Coring, Logging and Testing Program

Daily drilling and completion progress reports shall be submitted to this office on a weekly basis.

All Drill Stem tests (DST) shall be accomplished during daylight hours, unless specific approval to start during other hours is obtained from the AO. However, DSTs may be allowed to continue at night if the test was initiated during daylight hours and the rate of flow is stabilized and if adequate lighting is available (i.e., lighting which is adequate for visibility and vapor proof for safe operations). Packers can be released, but tripping should not begin before daylight unless prior approval is obtained from the AO.

A cement bond log (CBL) will be run from the production casing shoe to top of the cement and shall be utilized to determine the bond quality for the production casing. Submit a field copy of the CBL to this office.

Whether the well is completed as a dry hole or as a producer, "Well Completion and Recompletion Report and Log" (Form 3160-4) will be submitted not later than 30 days after completion of the well or after completion of operations being performed, in accordance with 43 CFR 3164. Two copies of all logs, core descriptions, core analyses, well-test data, geologic summaries, sample description, and all other surveys or data obtained and compiled during the drilling, workover, and/or completion operations, will be filed with Form 3160-4. Samples (cuttings, fluids, and/or gases) will be submitted when requested by the AO.

6. Notifications of Operations

No location will be constructed or moved, no well will be plugged, and no drilling or workover equipment will be removed from a well to be placed in a suspended status without prior approval of the AO. If operations are to be suspended, prior approval of the AO will be obtained and notification given before resumption of operations. Operator shall report production data to MMS pursuant to 30 CFR 216.5 using form MMS/3160.

Immediate Report: Spills, blowouts, fires, leaks, accidents, or any other unusual occurrences shall be promptly reported in accordance with the requirements of NTL-3A or its revision.

If a replacement rig is contemplated for completion operations, a "Sundry Notice" (Form 3160-5) to that effect will be filed, for prior approval of the AO, and all conditions of this approved plan are applicable during all operations conducted with the replacement rig. The date on which production is commenced or resumed will be construed for oil wells as the date on which liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which liquid hydrocarbons are first produced into a permanent storage facility, whichever first occurs; and, for gas wells as the date on which associated liquid hydrocarbons are first sold or shipped from a temporary storage facility, such as a test tank, and for which a run ticket is required to be generated or, the date on which gas is first measured through permanent metering facilities, whichever first occurs.

Should the well be successfully completed for production, the AO will be notified when the well is placed in a producing status. Such notification will be sent by telegram or other written communication, not later than five (5) days following the date on which the well is placed on production.

Gas produced from this well may not be vented or flared beyond an initial authorized test period of 30 days or 50 MMCF following its completion, whichever occurs first, without the prior written approval of the Authorized Officer. Should gas be vented or flared without approval beyond the authorized test period, the operator may be directed to shut-in the well until the gas can be captured or approval to continue venting or flaring as uneconomic is granted and the operator shall be required to compensate the lessor for that portion of the gas vented or flared without approval which is determined to have been avoidably lost.

A schematic facilities diagram as required by 43 CFR 3162.7-5(d) shall be submitted to the appropriate Field Office within 60 days of installation or first production, whichever occurs first. All site security regulations as specified in Onshore Oil & Gas Order No. 3 shall be adhered to. All product lines entering and leaving hydrocarbon storage tanks will be effectively sealed in accordance with 43 CFR 3162.7-5 (1).

No well abandonment operations will be commenced without the prior approval of the AO. In the case of newly drilled dry holes or failures, and in emergency situations, oral approval will be obtained from the AO. A "Subsequent Report of Abandonment" Form 3160-5, will be filed with the AO within thirty (30) days following completion of the well for abandonment. This report will indicate where plugs were placed and the current status of surface restoration. Final abandonment will not be approved until the surface reclamation work required by the approved APD or approved abandonment notice has been completed to the satisfaction of the AO or his representative, or the appropriate Surface Managing Agency.

7. Other Information

All loading lines will be placed inside the berm surrounding the tank battery.

All off-lease storage, off-lease measurement, or commingling on-lease or off-lease will have prior written approval from the AO.

The oil and gas measurement facilities will be installed on the well location. The oil and gas meters will be calibrated in place prior to any deliveries and tested for meter

accuracy at least quarterly thereafter. The AO will be provided with a date and time for the initial meter calibration and all future meter proving schedules. A copy of the meter calibration reports will be submitted to the Vernal District Office. All meter measurement facilities will conform with Onshore Oil & Gas Order No. 4 for liquid hydrocarbons and Onshore Oil & Gas Order No. 5 for natural gas measurement.

The use of materials under BLM jurisdiction will conform to 43 CFR 3610.2-3.

There will be no deviation from the proposed drilling and/or workover program without prior approval from the AO. Safe drilling and operating practices must be observed. All wells, whether drilling, producing, suspended, or abandoned will be identified in accordance with 43 CFR 3162.

"Sundry Notice and Report on Wells" (Form 3160-5) will be filed for approval for all changes of plans and other operations in accordance with 43 CFR 3162.3-2.

Section 102(b)(3) of the Federal Oil and Gas Royalty Management Act of 1982, as implemented by the applicable provisions of the operating regulations at Title 43 CFR 3162.4-1(c), requires that "not later than the 5th business day after any well begins production on which royalty is due anywhere on a lease site or allocated to a lease site, or resumes production in the case of a well which has been off production for more than 90 days, the operator shall notify the authorized officer by letter or sundry notice, Form 3160-5, or orally to be followed by a letter or sundry notice, of the date on which such production has begun or resumed."

If you fail to comply with this requirement in the manner and time allowed, you shall be liable for a civil penalty of up to \$10,000 per violation for each day such violation continues, not to exceed a maximum of 20 days. See Section 109(c)(3) of the Federal Oil and Gas Royalty Management Act of 1982 and the implementing regulations at Title 43 CFR 3162.4-1(b)(5)(ii).

APD approval is valid for a period of one (1) year from the signature date. An extension period may be granted, if requested, prior to the expiration of the original approval period.

In the event after-hours approvals are necessary, you must contact one of the following individuals:

Ed Forsman (435) 828-7874
Petroleum Engineer

Kirk Fleetwood (435) 828-7875
Petroleum Engineer

BLM FAX Machine (435) 781-4410

EPA'S LIST OF NONEXEMPT EXPLORATION AND PRODUCTION WASTES

While the following wastes are nonexempt, they are not necessarily hazardous.

Unused fracturing fluids or acids

Gas plant cooling tower cleaning wastes

Painting wastes

Oil and gas service company wastes, such as empty drums, drum rinsate, vacuum truck rinsate, sandblast media, painting wastes, spent solvents, spilled chemicals, and waste acids

Vacuum truck and drum rinsate from trucks and drums, transporting or containing nonexempt waste

Refinery wastes

Liquid and solid wastes generated by crude oil and tank bottom reclaimers

Used equipment lubrication oils

Waste compressor oil, filters, and blowdown

Used hydraulic fluids

Waste solvents

Waste in transportation pipeline-related pits

Caustic or acid cleaners

Boiler cleaning wastes

Boiler refractory bricks

Incinerator ash

Laboratory wastes

Sanitary wastes

Pesticide wastes

Radioactive tracer wastes

Drums, insulation and miscellaneous solids

Conditions of Approval (COA)

The operator shall not construct or drill each of the four location's May 15 – June 20, due to pronghorn antelope kidding habitat, unless a qualified wildlife biologist acceptable to the authorized officer determines that surface disturbance would not disturb the species.

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT

FORM APPROVED
Budget Bureau No. 1004-0135
Expires: March 31, 1993

007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to deepen or reenter a different reservoir.
Use "APPLICATION FOR PERMIT -" for such proposals

5. Lease Designation and Serial No.
UTU-73440

6. If Indian, Allottee or Tribe Name
na

7. If Unit or CA, Agreement Designation
na

8. Well Name and No.
Buck Canyon 9-24

9. API Well No.
43047 35903

10. Field and Pool, or Exploratory Area

11. County or Parish, State
Uintah Utah

SUBMIT IN TRIPLICATE

1. Type of Well

☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator

The Houston Exploration Company

3. Address and Telephone No.

1100 Louisiana Suite 2000 Houston, TX 77002 713-830-6800

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)

1724' FSL & 855' FEL Sec. 24, T12S, R21E

12. CHECK APPROPRIATE BOX(es) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION

☒ Notice of Intent
☐ Subsequent Report
☐ Final Abandonment Notice

TYPE OF ACTION

☐ Abandonment ☒ Change of Plans
☐ Recompletion ☐ New Construction
☐ Plugging Back ☐ Non-Routine Fracturing
☐ Casing Repair ☐ Water Shut-Off
☐ Altering Casing ☐ Conversion to Injection
☐ Other ☐ Dispose Water

(Note: Report results of multiple completion on Well Completion or Recompletion Report and Log form.)

13. Describe Proposed or Completed Operations (Clearly state all pertinent details, and give pertinent dates, including estimated date of starting any proposed well is directionally drilled, give subsurface locations and measured and true vertical depths for all markers and zones pertinent to this work.)*

The operator requests permission to decrease the hole size from 12 1/4" to 11" from setting depth 2000' to surface.

COPY SENT TO OPERATOR
Date: 12-9-04
Initials: CHD

RECEIVED

DEC 06 2004

DIV. OF OIL, GAS & MINING

14. I hereby certify that the foregoing is true and correct

Signed

William A. Ryan

Title Agent

Date Dec. 1, 2004

(This space for Federal or State office use)

Approved by

Title

Accepted by the
Utah Division of
Oil, Gas and Mining

Date

Federal Approval Of This
Action Is Necessary

Conditions of approval, if any:

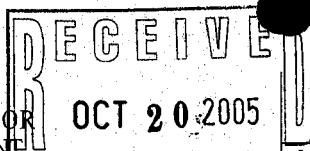
Date: 12/8/04

By: *[Signature]*

Title 18 U.S.C. Section 1001, makes it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

*See Instructions on Reverse Side

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF LAND MANAGEMENT



FORM APPROVED
OMB No. 1004-0137
Expires: March 31, 2007

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill or to re-enter an abandoned well. Use Form 3160-3 (APD) for such proposals.

SUBMIT IN TRIPLICATE- Other instructions on reverse side.

1. Type of Well
☐ Oil Well ☒ Gas Well ☐ Other

2. Name of Operator
Enduring Resources, LLC

3a. Address
475 17th Street, Suite 1500, Denver, CO 80202

3b. Phone No. (include area code)
303-573-1222

4. Location of Well (Footage, Sec., T., R., M., or Survey Description)
1,724' FSL - 855' FEL (NESE) Sec 24, R12S-T21E, SLB&M

5. Lease Serial No.

UTU-73440

6. If Indian, Allottee or Tribe Name

n/a

7. If Unit or CA/Agreement, Name and/or No.

n/a

8. Well Name and No.

Bonanza 9-24

9. API Well No.

4304735903

10. Field and Pool, or Exploratory Area

Undesignated

11. County or Parish, State

Uintah, Utah

12. CHECK APPROPRIATE BOX(ES) TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION			
<input checked="" type="checkbox"/> Notice of Intent	<input type="checkbox"/> Acidize	<input type="checkbox"/> Deepen	<input type="checkbox"/> Production (Start/Resume)	<input type="checkbox"/> Water Shut-Off
<input type="checkbox"/> Subsequent Report	<input type="checkbox"/> Alter Casing	<input type="checkbox"/> Fracture Treat	<input type="checkbox"/> Reclamation	<input type="checkbox"/> Well Integrity
<input type="checkbox"/> Final Abandonment Notice	<input type="checkbox"/> Casing Repair	<input type="checkbox"/> New Construction	<input type="checkbox"/> Recomplete	<input checked="" type="checkbox"/> Other APD Extension
	<input type="checkbox"/> Change Plans	<input type="checkbox"/> Plug and Abandon	<input type="checkbox"/> Temporarily Abandon	Requested
	<input type="checkbox"/> Convert to Injection	<input type="checkbox"/> Plug Back	<input type="checkbox"/> Water Disposal	

13. Describe Proposed or Completed Operation (clearly state all pertinent details, including estimated starting date of any proposed work and approximate duration thereof. If the proposal is to deepen directionally or recompleat horizontally, give subsurface locations and measured and true vertical depths of all pertinent markers and zones. Attach the Bond under which the work will be performed or provide the Bond No. on file with BLM/BIA. Required subsequent reports shall be filed within 30 days following completion of the involved operations. If the operation results in a multiple completion or recompleat in a new interval, a Form 3160-4 shall be filed once testing has been completed. Final Abandonment Notices shall be filed only after all requirements, including reclamation, have been completed, and the operator has determined that the site is ready for final inspection.)

**APD: Granted: 11-16-2004 to The Houston Exploration Company
Expires: 11-16-2005**

Enduring Resources, LLC respectfully requests an extension to the Application for Permit to Drill for this well.

Enduring Resources, LLC just acquired this well from The Houston Exploration Company and has not been able to get this well into it's drilling schedule yet.

THE CHANGE OF OPERATOR FROM THE HOUSTON EXPLORATION COMPANY TO ENDURING RESOURCES, LLC IS PENDING.

CONDITIONS OF APPROVAL ATTACHED

14. I hereby certify that the foregoing is true and correct
Name (Printed/Typed)

Alvin R. (Al) Arlian

Title **Landman - Regulatory Specialist**

Signature

Date

10/15/2005

THIS SPACE FOR FEDERAL OR STATE OFFICE USE

Approved by

Petroleum Engineer

OCT 21 2005

Conditions of approval, if any, are attached. Approval of this notice does not warrant or certify that the applicant holds legal or equitable title to those rights in the subject lease which would entitle the applicant to conduct operations thereon.

Office

Title 18 U.S.C. Section 1001 and Title 43 U.S.C. Section 1212, make it a crime for any person knowingly and willfully to make to any department or agency of the United States any false, fictitious or fraudulent statements or representations as to any matter within its jurisdiction.

(Instructions on page 2)

RECEIVED

OCT 28 2005

DIV. OF OIL, GAS & MINING

UDOGM

CONDITIONS OF APPROVAL

Enduring Resources, LLC

Notice of Intent APD Extension

Lease: UTU-73440
Well: Bonanza #9-24
Location: NESE Sec 24-T12S-R21E

An extension for the referenced APD is granted with the following conditions:

1. The extension and APD shall expire on 11/16/06
2. No other extension shall be granted.

If you have any other questions concerning this matter, please contact Matt Baker of this office at (435) 781-4490

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73440
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 350-5114		8. WELL NAME and NUMBER: Buck Canyon 9-24
9. API NUMBER: 4304735903		10. FIELD AND POOL, OR WILDCAT: Wildcat
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,724' FSL - 855' FEL		COUNTY: Uintah
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 24 12S 21E S		STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: _____	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the Application for Permit to Drill for this well.

Enduring Resources, LLC acquired this well from The Houston Exploration Company and has not been able to place the well in the drilling schedule yet.

THE CHANGE OF OPERATOR FROM THE HOUSTON EXPLORATION COMPANY TO ENDURING RESOURCES, LLC IS PENDING.

Utah State Bond #RLB0008031
Operator No. N2750

Approved by the
Utah Division of
Oil, Gas and Mining

Date: 12-29-05
By: [Signature]

COPY SENT TO OPERATOR
Date: 1-10-06
Initials: [Signature]

NAME (PLEASE PRINT) Alvin R. (Al) Arlian

TITLE Landman - Regulatory Specialist

SIGNATURE [Signature]

DATE 9/28/2005

(This space for State use only)

RECEIVED

DEC 12 2005

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304735903
Well Name:
Location:
Company Permit Issued to:
Date Original Permit Issued:

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒


Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

9/29/2005
Date

Title: Landman - Regulatory Specialist

Representing: Enduring Resources, LLC

RECEIVED

DEC 12 2005

DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

Request to Transfer Application or Permit to Drill

(This form should accompany a Sundry Notice, Form 9, requesting APD transfer)

Well name:	Buck Canyon #9-24
API number:	4304735903
Location:	Qtr-Qtr: NESE Section: 24 Township: 12S Range: 21E
Company that filed original application:	Houston Exploration Company
Date original permit was issued:	12/08/2004
Company that permit was issued to:	Houston Exploration Company

Check one	Desired Action:
<input type="checkbox"/>	Transfer pending (unapproved) Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property, hereby verifies that the information as submitted in the pending Application for Permit to Drill, remains valid and does not require revision. The new owner of the application accepts and agrees to the information and procedures as stated in the application.
<input checked="" type="checkbox"/>	Transfer approved Application for Permit to Drill to new operator
<input type="checkbox"/>	The undersigned as owner with legal rights to drill on the property as permitted, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.	Yes	No
If located on private land, has the ownership changed?		<input checked="" type="checkbox"/>
<input type="checkbox"/> If so, has the surface agreement been updated?		<input checked="" type="checkbox"/>
Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location?		<input checked="" type="checkbox"/>
Have there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well?		<input checked="" type="checkbox"/>
Have there been any changes to the access route including ownership or right-of-way, which could affect the proposed location?		<input checked="" type="checkbox"/>
Has the approved source of water for drilling changed?		<input checked="" type="checkbox"/>
Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation?		<input checked="" type="checkbox"/>
Is bonding still in place, which covers this proposed well? Bond No. <u>RLB0008031</u>	<input checked="" type="checkbox"/>	

Any desired or necessary changes to either a pending or approved Application for Permit to Drill that is being transferred, should be filed on a Sundry Notice, Form 9, or amended Application for Permit to Drill, Form 3, as appropriate, with necessary supporting information as required.

Name (please print) Alvin R. (Al) Arlian Title Landman - Regulatory Specialist
Signature [Signature] Date 12/20/2005
Representing (company name) Enduring Resources, LLC

The person signing this form must have legal authority to represent the company or individual(s) to be listed as the new operator on the Application for Permit to Drill.

RECEIVED
DEC 23 2005
DIV. OF OIL, GAS & MINING

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73440
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 375 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
PHONE NUMBER: (303) 350-5114		8. WELL NAME and NUMBER: Buck Canyon 9-24
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724' FSL - 855' FEL S.L.B.& M. COUNTY: Uintah		9. API NUMBER: 4304735903
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 24 12S 21E S STATE: UTAH		10. FIELD AND POOL, OR WILDCAT: Wildcat

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: _____	<input type="checkbox"/> ACIDIZE <input type="checkbox"/> ALTER CASING <input type="checkbox"/> CASING REPAIR <input type="checkbox"/> CHANGE TO PREVIOUS PLANS <input type="checkbox"/> CHANGE TUBING <input type="checkbox"/> CHANGE WELL NAME <input type="checkbox"/> CHANGE WELL STATUS <input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS <input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> DEEPEN <input type="checkbox"/> FRACTURE TREAT <input type="checkbox"/> NEW CONSTRUCTION <input type="checkbox"/> OPERATOR CHANGE <input type="checkbox"/> PLUG AND ABANDON <input type="checkbox"/> PLUG BACK <input type="checkbox"/> PRODUCTION (START/RESUME) <input type="checkbox"/> RECLAMATION OF WELL SITE <input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	<input type="checkbox"/> REPERFORATE CURRENT FORMATION <input type="checkbox"/> SIDETRACK TO REPAIR WELL <input type="checkbox"/> TEMPORARILY ABANDON <input type="checkbox"/> TUBING REPAIR <input type="checkbox"/> VENT OR FLARE <input type="checkbox"/> WATER DISPOSAL <input type="checkbox"/> WATER SHUT-OFF <input checked="" type="checkbox"/> OTHER: Name Change
<input checked="" type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion: 12/21/2005			

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Effective 12-21-2005

Change Well Name from: Buck Canyon #9-24

Change Well Name to: Buck Canyon #12-21-43-24

RECEIVED
DEC 23 2005
DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Alvin R. (Al) Arlian	TITLE Landman - Regulatory Specialist
SIGNATURE _____	DATE 12/21/2005

(This space for State use only)

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73440
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: n/a
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: n/a
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1724 FSL - 855 FEL		8. WELL NAME and NUMBER: Buck Canyon #9-24
5. PHONE NUMBER: (303) 350-5114		9. API NUMBER: 4304735903
6. QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 24 12S 21E S		10. FIELD AND POOL, OR WILDCAT: Wildcat
7. COUNTY: Uintah		8. STATE: UTAH

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA			
TYPE OF SUBMISSION	TYPE OF ACTION		
<input type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 12/20/2005	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Change of Operator
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Change of operator from Houston Exploration Company to Enduring Resources, LLC effective 12-20-2005


Enduring Resources, LLC
475 17th Street, Suite 1500
Denver, Colorado 80202

Operator No. N2750
Utah State Bond #RLB0008031

THE HOUSTON EXPLORATION COMPANY

RECEIVED

DEC 28 2005

X 
BY: Alvin R. Arlian
TITLE: Agent
1100 Louisiana, Suite 2000
Houston, TX 77002-5215

DATE: 12-20-2005

DIV. OF OIL, GAS & MINING

NAME (PLEASE PRINT) Alvin R. (Al) Arlian

TITLE Landman - Regulatory Specialist


SIGNATURE 

DATE 12/21/2005

(This space for State use only)

APPROVED 12/28/05

(5/2000)


Earlene Russell
Division of Oil, Gas and Mining
Earlene Russell, Engineering Technician

(See Instructions on Reverse Side)

6c. Reports current for Production/Disposition & Sundries on: ok

7. **Federal and Indian Lease Wells:** The BLM and or the BIA has approved the merger, name change, or operator change for all wells listed on Federal or Indian leases on: BLM not yet BIA n/a

8. **Federal and Indian Units:**
The BLM or BIA has approved the successor of unit operator for wells listed on: n/a

9. **Federal and Indian Communization Agreements ("CA"):**
The BLM or BIA has approved the operator for all wells listed within a CA on: n/a

10. **Underground Injection Control ("UIC")** The Division has approved UIC Form 5, **Transfer of Authority to Inject**, for the enhanced/secondary recovery unit/project for the water disposal well(s) listed on: n/a

DATA ENTRY:

1. Changes entered in the **Oil and Gas Database** on: 12/28/2005
2. Changes have been entered on the **Monthly Operator Change Spread Sheet** on: 12/28/2005
3. Bond information entered in RBDMS on: n/a
4. Fee/State wells attached to bond in RBDMS on: n/a
5. Injection Projects to new operator in RBDMS on: n/a
6. Receipt of Acceptance of Drilling Procedures for APD/New on: 12/28/2005

FEDERAL WELL(S) BOND VERIFICATION:

1. Federal well(s) covered by Bond Number: UTB000173

INDIAN WELL(S) BOND VERIFICATION:

1. Indian well(s) covered by Bond Number: n/a

FEE & STATE WELL(S) BOND VERIFICATION:

1. (R649-3-1) The **NEW** operator of any fee well(s) listed covered by Bond Number n/a
2. The **FORMER** operator has requested a release of liability from their bond on: n/a
The Division sent response by letter on:

LEASE INTEREST OWNER NOTIFICATION:

3. (R649-2-10) The **FORMER** operator of the fee wells has been contacted and informed by a letter from the Division of their responsibility to notify all interest owners of this change on: n/a

COMMENTS:

STATE OF UTAH
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

FORM 9

SUNDRY NOTICES AND REPORTS ON WELLS

Do not use this form for proposals to drill new wells, significantly deepen existing wells below current bottom-hole depth, reenter plugged wells, or to drill horizontal laterals. Use APPLICATION FOR PERMIT TO DRILL form for such proposals.

1. TYPE OF WELL OIL WELL <input type="checkbox"/> GAS WELL <input checked="" type="checkbox"/> OTHER _____		5. LEASE DESIGNATION AND SERIAL NUMBER: UTU-73440
2. NAME OF OPERATOR: Enduring Resources, LLC		6. IF INDIAN, ALLOTTEE OR TRIBE NAME: N/A
3. ADDRESS OF OPERATOR: 475 17th Street, Suite 1500 CITY Denver STATE CO ZIP 80202		7. UNIT or CA AGREEMENT NAME: N/A
4. LOCATION OF WELL FOOTAGES AT SURFACE: 1,724' FSL - 855' FEL		8. WELL NAME and NUMBER: Buck Canyon 12-21-43-24 (9-24)
QTR/QTR, SECTION, TOWNSHIP, RANGE, MERIDIAN: NESE 24 12S 21E S		9. API NUMBER: 4304735903
COUNTY: Uintah		10. FIELD AND POOL, OR WILDCAT: Wildcat
STATE: UTAH		

11. CHECK APPROPRIATE BOXES TO INDICATE NATURE OF NOTICE, REPORT, OR OTHER DATA

TYPE OF SUBMISSION	TYPE OF ACTION		
<input checked="" type="checkbox"/> NOTICE OF INTENT (Submit in Duplicate) Approximate date work will start: 8/25/2006	<input type="checkbox"/> ACIDIZE	<input type="checkbox"/> DEEPEN	<input type="checkbox"/> REPERFORATE CURRENT FORMATION
<input type="checkbox"/> SUBSEQUENT REPORT (Submit Original Form Only) Date of work completion:	<input type="checkbox"/> ALTER CASING	<input type="checkbox"/> FRACTURE TREAT	<input type="checkbox"/> SIDETRACK TO REPAIR WELL
	<input type="checkbox"/> CASING REPAIR	<input type="checkbox"/> NEW CONSTRUCTION	<input type="checkbox"/> TEMPORARILY ABANDON
	<input type="checkbox"/> CHANGE TO PREVIOUS PLANS	<input type="checkbox"/> OPERATOR CHANGE	<input type="checkbox"/> TUBING REPAIR
	<input type="checkbox"/> CHANGE TUBING	<input type="checkbox"/> PLUG AND ABANDON	<input type="checkbox"/> VENT OR FLARE
	<input type="checkbox"/> CHANGE WELL NAME	<input type="checkbox"/> PLUG BACK	<input type="checkbox"/> WATER DISPOSAL
	<input type="checkbox"/> CHANGE WELL STATUS	<input type="checkbox"/> PRODUCTION (START/RESUME)	<input type="checkbox"/> WATER SHUT-OFF
	<input type="checkbox"/> COMMINGLE PRODUCING FORMATIONS	<input type="checkbox"/> RECLAMATION OF WELL SITE	<input checked="" type="checkbox"/> OTHER: Request for APD Extension
	<input type="checkbox"/> CONVERT WELL TYPE	<input type="checkbox"/> RECOMPLETE - DIFFERENT FORMATION	

12. DESCRIBE PROPOSED OR COMPLETED OPERATIONS. Clearly show all pertinent details including dates, depths, volumes, etc.

Enduring Resources, LLC respectfully request an extension to the Application for Permit to Drill for this well.

From: 9/30/2006

To: 9/30/2007

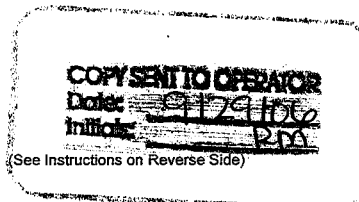
Approved by the
Utah Division of
Oil, Gas and Mining

Date: 09-27-06
By: [Signature]

NAME (PLEASE PRINT) Evette Bissett	TITLE Regulatory Compliance Assistant
SIGNATURE [Signature]	DATE 8/25/2005

(This space for State use only)

(5/2000)



RECEIVED

AUG 30 2006

DIV. OF OIL, GAS & MINING

**Application for Permit to Drill
Request for Permit Extension
Validation**

(this form should accompany the Sundry Notice requesting permit extension)

API: 4304735903
Well Name: Buck Canyon 12-21-43-24
Location: 1,7⁹/₄' FSL - 855' FEL, NESE, Sec 24, T12S, R21E
Company Permit Issued to: Enduring Resources, LLC
Date Original Permit Issued: 9/30/2004

The undersigned as owner with legal rights to drill on the property as permitted above, hereby verifies that the information as submitted in the previously approved application to drill, remains valid and does not require revision.

Following is a checklist of some items related to the application, which should be verified.

If located on private land, has the ownership changed, if so, has the surface agreement been updated? Yes ☐ No ☐

Have any wells been drilled in the vicinity of the proposed well which would affect the spacing or siting requirements for this location? Yes ☐ No ☒

Has there been any unit or other agreements put in place that could affect the permitting or operation of this proposed well? Yes ☐ No ☒

Have there been any changes to the access route including ownership, or right-of-way, which could affect the proposed location? Yes ☐ No ☒

Has the approved source of water for drilling changed? Yes ☐ No ☒

Have there been any physical changes to the surface location or access route which will require a change in plans from what was discussed at the onsite evaluation? Yes ☐ No ☒

Is bonding still in place, which covers this proposed well? Yes ☒ No ☐


Signature

8/25/2005
Date

Title: Regulatory Compliance Assistant

Representing: Enduring Resources, LLC

RECEIVED

AUG 30 2006

DIV. OF OIL, GAS & MINING



United States Department of the Interior
BUREAU OF LAND MANAGEMENT

Vernal Field Office
170 South 500 East
Vernal, UT 84078
(435) 781-4400 Fax: (435) 781-4410
<http://www.blm.gov/utah/vernal>



IN REPLY REFER TO:
3160
UT08300

February 8, 2007

Al Arlian
Enduring Resources, LLC.
475 17th Street, Suite 1500
Denver, Colorado 80202

Re: Expired
Well No. Buck Canyon 12-21-43-24
(aka Buck Canyon 9-24)
NESE, Sec. 24, T12S, R21E
Uintah County, Utah
Lease No. UTU-73440

Dear Mr. Arlian:

The Application for Permit to Drill the above-referenced well was approved on November 16, 2004. A one year extension was granted on December 9, 2005. The expiration date for the above well was November 16, 2006. Since that date, no known activity has transpired at the approved location. In view of the foregoing, this office is notifying you that the approval of the referenced application has expired. If you intend to drill at this location at a future date, a new Application for Permit to Drill must be submitted.

This office requires a letter confirming that no surface disturbance has been made for this drill site. Any surface disturbance associated with the approved location of this well is to be rehabilitated. A schedule for this rehabilitation must be submitted to this office. Your cooperation in this matter is appreciated.

Sincerely,

Sandra Sather
Legal Instruments Examiner

cc: UDOGM

bcc: Well File U-924
Reading File
ES

RECEIVED
FEB 13 2007
DIV. OF OIL, GAS & MINING



State of Utah

Department of Natural Resources

MICHAEL R. STYLER
Executive Director

Division of Oil, Gas & Mining

JOHN R. BAZA
Division Director

JON M. HUNTSMAN, JR.
Governor

GARY R. HERBERT
Lieutenant Governor

February 14, 2007

Al Arlian
Enduring Resources LLC
475 17th Street
Suite 1500
Denver, CO 80202

Re: APD Rescinded –Buck Canyon 12-21-43-24 Sec. 24 T. 12 R. 21E
Uintah County, Utah API No. 43-047-35903


Mr. Arlian:

The Application for Permit to Drill (APD) for the subject well was approved by the Division of Oil, Gas and Mining (Division) on September 30, 2004. On December 29, 2005 and September 27, 2006, the Division granted a one-year APD extension. The Division received a letter, dated February 8, 2007 from the Bureau of Land Management, Vernal office, stating that the APD was rescinded. On February 13, 2007, you requested that the division rescind the state approved APD. No drilling activity at this location has been reported to the division. Therefore, approval to drill the well is hereby rescinded, effective February 13, 2007.

A new APD must be filed with this office for approval prior to the commencement of any future work on the subject location.

If any previously unreported operations have been performed on this well location, it is imperative that you notify the Division immediately.

Sincerely,


Diana Mason
Environmental Scientist

cc: Well File
Bureau of Land Management, Vernal